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ABSTRACT

This report chronicles the history of the Federal role in welfare programs and training and employment programs since the New Deal. Part I presents a chronological summary of legislative action since 1935 and briefly discusses some major issues the Congress has tried to resolve, including: whether Aid to Families with Dependent Children (AFDC) recipients should be treated as employable; how employment and training programs should be administered and what they should provide; and how children of working parents can be assured of adequate care. A lack of congressional consensus on these issues has led to bitter debate, administrative confusion, and a lack of policy coherence. Part II discusses the following topics in greater detail: (1) enactment of a program of aid to dependent children; (2) adoption of the concept of "self-support"; (3) "unemployed parents" introduced to the program; (4) the public welfare amendments of 1962; (5) expansion of the work incentive concept; (6) enactment of the work incentive (WIN) program; (7) welfare reform and welfare expansion during the Nixon era; (8) legislation for employment-related demonstration projects; (9) Carter's welfare reform proposal--basic issues reemerge; (10) efforts to authorize job search and changes in the WIN program; and (11) the Reagan Administration--renewed emphasis on work requirements. Appendices provide data on work programs, characteristics of AFDC recipients, AFDC enrollment and benefits, the general population of mothers in the labor force and the status of children, and selected employment and training programs for AFDC recipients. (KH)

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PREPARED FOR THE

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

OF THE

COMMITTEE ON LABOR AND HUMAN RESOURCES

AND THE

SUBCOMMITTEE ON SOCIAL SECURITY AND INCOME MAINTENENCE

OF THE

COMMITTEE ON FINANCE UNITED STATES SENATE

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FOREWORD

This committee print is designed to give some background for the joint hearings of the Subcommittees on Employment and Productivity and Social Security and Income Maintenance on the general subject of "Work and Welfare."

The Congress and successive Administrations have struggled with this issue for the last thirty years. The legislative history of this struggle is both fascinating and frustrating and we are fortunate that Margaret Malone consented to write the story for us. Ms. Malone is not only an expert in the field but was also an active participant in many of the developments that are described.

This print also contains a compilation of statistics (supplied by the Departments of HHS and Labor) relevant to a consideration of the issue. I commend the print to any of my colleagues interested in pursuing solutions to the work and welfare issue—because they will find that there are few solutions that have not already been enacted and even fewer that have not already been suggested.

DAN QUAYLE.

LETTER OF TRANSMITTAL

United States Senate

WASHINGTON, D.C. 20510

August, 1986

Honorable Orrin G. Hatch
Chairman
Committee on Labor and Human Resources
United States Senate
Washington, D.C. 20510

Honorable Bob Packwood
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Chairman Hatch and Chairman Packwood:

This report has been prepared by Margaret Malone for the joint use of the Subcommittee on Employment and Productivity of the Labor and Human Resources Committee and the Subcommittee on Social Security and Income Maintenance of the Finance Committee as background information on work and welfare programs.

This report chronicles the history of the federal role in welfare programs and training and employment programs over the past thirty years. We believe you and the other members of our Committees, as well as the general public, will find this report to be a comprehensive discussion of changing federal policy in work and welfare programs and will help us understand the issues before us as we look at reform of the welfare system.

Our two subcommittees will continue to review current programs and formulate ideas on how to improve federal work and welfare programs. We commend this document to anyone interested in work and welfare programs.

Sincerely,

William L. Armstrong
Chairman
Subcommittee on Social
Security and Income
Maintenance

Dan Quayle
Chairman
Subcommittee on
Employment
and Productivity

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EMPLOYMENT AND TRAINING FOR WELFARE RECIPIENTS

PART I—AN INTRODUCTORY SUMMARY AND ANALYSIS OF LEGISLATIVE ACTION

A. Chronological Summary of Legislative Action

THE NEW DEAL DIVISION: WORK FOR EMPLOYABLES, WELFARE FOR UNEMPLOYABLES

President Roosevelt's New Deal brought about the establishment of two kinds of social programs with clearly distinguishable purposes—one kind designed to address the pressing economic problems of the time, another to create a system of protection for individuals and families that would continue after the period of economic crisis had ended.

In April 1935, in response to the President's appeal to provide "the security of a livelihood," the Congress acted to meet the first purpose of appropriating almost $5 billion for a new work relief program. The Works Progress Administration (WPA), established the following month, was the President's major initiative to provide an income during the period of the Depression to persons considered to be employable.

Later in the year, in August 1935, the Congress enacted Roosevelt's multi-faceted system of "social security," an action praised by the President as "historic for all time." The Social Security Act of 1935 established a social insurance system for the elderly, and a Federal-State system of unemployment compensation for workers during periods of unemployment. It also authorized Federal grants to the States to assist them in "relief" to those considered to be unemployable—the aged, the blind, and dependent children without an employable father in the home.

The temporary WPA ended with World War II, but the programs created by the Social Security Act have been maintained, in somewhat modified form, for more than half a century. The program that is the major focus of this paper, the Aid to Dependent Children program (renamed Aid to Families with Dependent Children in 1962), has retained its basic structure as a Federally-assisted, State-administered program, with the purpose of helping needy mothers and children. But a basic assumption of the program, that it serves a population that is unemployable, has gradually eroded.

EARLY CHANGES IN FEDERAL ADC POLICY

The idea that at least some ADC receipients were employable was introduced into the Federal statute in 1956, when the Congress authorized Federal matching to States to allow them to provide services to help parents of needy children "to attain the maximum self-support and personal independence."

When the ADC law was changed in 1961 to allow States, at their option, to provide assistance to families in which the father was unemployed, a more clearly identifiable category of employable recipients was brought into the program. At the same time, the Congress added, for the first time and only with respect to these unemployed fathers, a requirement that States have work rules, and that fathers who refused employment must be penalized by the withholding of assistance to their families.

In 1962, President Kennedy proposed amendments that emphasized the provision of rehabilitation and training for welfare recipients. In testifying on the Administration's proposals in February 1962, Secretary of Health, Education, and Welfare Abraham Ribicoff told the Committee on Ways and Means that "Essentially our task is to wage war on dependency." The proposals submitted by the Administration and enacted by the Congress provided 75 percent Federal matching to the States to finance a loosely-defined range of services to help a relative of a child receiving aid to "attain or retain capability for self-support or self care, or services which are so prescribed and so provided in order to maintain and strengthen family life * * *" or other services that are "likely to prevent or reduce dependency."

In addition, the Congress adopted a Kennedy proposal that authorized the States to establish community work and training programs in which individuals could be required to "work off" their welfare benefits by performing public work "of a constructive nature."

The adoption of the principle that recipients could be required to work on a State or local work project in exchange for benefits was a significant change in AFDC policy. Federal rules had previously prohibited the States from imposing this kind of requirement.

Although some who testified on the 1962 amendments expressed reservations about the new "work relief" policy, it was not particularly controversial. The community work and training program rules applied to both mothers and fathers, but the expectation of the Administration and of the Congress was that most of those who would be required to participate would be unemployed fathers. During the 6 years the program was authorized, only 13 States elected to use the authority.

The idea of a work "incentive" was also introduced into the program in the 1962 amendments. For the first time the Federal statute required States to take into account an individual's work expenses in calculating the family's AFDC benefit, and allowed the States to permit families to set aside earned or other income to meet further identifiable needs of a dependent child.

THE WAR ON POVERTY

Increasing interest in employment for AFDC recipients coincided with the establishment in the early and mid 1960's of a number of new Federal employment and training programs, most of which were enacted as part of President Johnson's War on Poverty. One program, the Work Experience program, begun in 1965 under title V of the Economic Opportunity Act, primarily served AFDC recipients. The Work Experience program operated much in the same

way as the community work and training program, but it had more generous Federal funding. In 1966, amendments to the Economic Opportunity Act required that welfare recipients be served by programs authorized under the 1962 Manpower Development and Training Act. These legislative developments increased the number and type of services that were available to AFDC recipients. However, the number of recipients served by these Department of Labor programs remained small.

CREATION OF WIN; WORK REQUIREMENTS FOR MOTHERS

The 1967 social security amendments represented a major shift in Federal policy with respect to AFDC mothers. Earlier program changes had not clearly posed the question: Should AFDC mothers be required to work? In 1967, the Congress said "yes."

By 1967, the committees with jurisdiction over the AFDC program, the Committee on Ways and Means in the House, and the Committee on Finance in the Senate, had become increasingly concerned about the growth in the AFDC rolls. In 1962, they had been assured by the Administration that the new services programs that they approved would move families out of dependency. The committees complained in their 1967 reports that the 1962 amendments had not had the promised effect. In the preceding 10 years, they noted, the rolls had doubled, and the Johnson Administration was predicting continued growth.

The committees had also become aware that a change that had been adopted on the Senate floor in 1965 as a "coordinating" amendment had had the unforeseen effect of eliminating Congressional control over AFDC benefit levels. The 1965 amendment allowed the States to elect to use either the new Medicaid or the regular AFDC matching formula in claiming Federal matching funds. The regular AFDC formula had a cap on individual benefit amounts that were matchable with Federal funds. By electing to use the Medicaid formula, the States could get out from under the AFDC funding limitations, and could claim Federal matching for benefit levels set by them, not by the Congress. A number of States began to raise their benefit levels and thereby increase the amount of Federal matching payable to them.

Facing what they foresaw as continued rapid growth in caseloads and in costs, the committees rejected most of the 1967 Johnson Administration proposals, one of which would have required States to make annual adjustments in their AFDC payments. The committees turned their attention instead to ways to keep the growth of the AFDC program "under control."

The approach they adopted was three-pronged: to require States (1) to have programs to enforce child support laws; (2) to have programs offering family planning services to all recipients on a voluntary basis, and (3) to refer all "appropriate" AFDC recipients, including mothers, to a new Federal Work Incentive (WIN) program. Anticipating that the WIN program would be able to enroll nearly all eligible participants, the committees agreed to repeal the 1962 community work and training program. The WIN employment

strategy adopted by the committees included a requirement for disregarding a portion of an AFDC family's earnings as an incentive for employable family members to go to work.

The 1967 amendments aroused considerable controversy as they moved through the Congress, particularly the amendment that imposed a work requirement on AFDC mothers.

Although the committees' amendments passed the Congress and were signed into law, they were never implemented as intended. The child support and family planning requirements were largely ignored by both the Administration and the States. The Work Incentive program was implemented by the Department of Labor, but was buried relatively low in the Department's bureaucracy and never enjoyed the enthusiastic support of the Johnson or any succeeding administration. Appropriations for the program remained below the committees' expectation. The State welfare agencies responded in very different ways to the requirement that they refer each "appropriate" recipient to employment and training under WIN. Some State welfare agencies found large numbers to be "appropriate" for referral, and swamped the WIN employment offices with unprepared candidates. Others found so few to be "appropriate" that the program was starved for candidates.

The one major aspect of the committees' employment strategy that was implemented was the amendment requiring the disregard of a portion of an AFDC family's earnings as an incentive for work.

THE DEBATE OVER NIXON'S WELFARE REFORM PROPOSAL

The Ways and Means and Finance Committees continued to publicly express their interest in the implementation of the WIN program. However, their attention was very soon turned to consideration of a new proposal for major change in welfare policy. In August 1969, a year and a half after the signing of the WIN amendments, President Nixon proposed to repeal both the AFDC and WIN programs, and to replace them with a new program to "assure an income foundation" for all families with children, and a new program of employment and training and child care services. The Nixon Administration's Family Assistance Plan (FAP) would have extended Federal cash assistance to two-parent families in all States (under the optional AFDC—Unemployed Father program only about half the States provided such assistance). It also would have established a Federal minimum benefit level. Nixon emphasized that the new family program was based on the principle of providing cash incentives to work, which he described as "a new approach that will make it more attractive to go to work than to go on welfare * * *"

The House of Representatives passed the Nixon amendments in 1970 with relatively little change. However, the amendments met strong opposition in the Senate Finance Committee. Finance Committee members criticized the work incentive provisions of FAP as structurally flawed. The committee approved an alternative proposal that, among other provisions, called for testing of both a "family assistance" type proposal, and a "workfare" type proposal, along lines defined by the committee. The 91st Congress ended without any final action on welfare reform amendments.

In 1971, the Ways and Means Committee responded to the criticisms that had been raised in the Senate the year before by adding to the FAP proposal a greater emphasis on employment and training for welfare recipients. The committee introduced the idea that welfare recipients could and should be divided into two categories—those who could work, and those who could not. There were to be two separate programs to serve the defined groups. The program for employables included work requirements, and provided both cash assistance and employment and training services. The program for unemployables, limited mostly to mothers with a child under age three, provided only cash assistance, and had no work requirement.

In its proposal for welfare reform in 1972, the Committee on Finance took a very different approach. Like the Ways and Means Committee, it divided recipients into employables and unemployables. But for those it defined as employable, it provided a guaranteed job, not cash assistance. Cash assistance could be paid only to those considered unemployable, mostly mothers with a child under age 6.

The clash in philosophy represented by these welfare reform proposals was not resolved. The Nixon welfare reform era ended without enactment of either a new cash program or a new work program.

EFFORTS TO STRENGTHEN THE WIN PROGRAM

During the course of the FAP debate, both the House and the Senate developed amendments that were designed to correct some of the flaws that were perceived in the operation of the WIN program. Amendments passed by the Congress in 1971 eliminated the discretion that had been given State welfare agencies to determine which AFDC recipients were "appropriate" for referral to WIN. Welfare agencies were required to refer all AFDC recipients to WIN except those that were specifically excluded by law. Added to those excluded from the referral requirement were mothers who were caring for a child under age 6. The intent of these changes was to provide more uniform implementation by the States of the referral process. The amendments were also designed to improve coordination between the welfare and employment functions, and to shift the emphasis of the program from institutional training to job placement.

CARTER'S WELFARE REFORM PROPOSAL

The welfare reform debate began again in 1977, when President Carter proposed a sweeping reform of the welfare system that repealed all existing welfare programs and replaced them with a single Federal cash assistance program for all needy families and individuals, and a separate employment and training program. Like the Nixon proposal, the Carter proposal for cash assistance incorporated strong reliance on cash incentives as a way of increasing the incomes of families with earnings, and as a way of encouraging recipients to go to work.

The proposed employment and training program had two components—a program of initial job search for those "required to work,"

and a program of subsidized public service employment and training for those who were unable to find jobs in the regular economy. More than half of the proposed subsidized work and training positions were estimated to go to the "working poor" families who were being brought into the program for the first time.

As in the earlier debate, proponents of the proposal defended the cash incentive approach on the basis of equity and fairness, arguing that a person who worked should always be better off than one who did not. Proponents also emphasized that the combined effect of the cash and jobs programs would be to significantly increase the incomes of large numbers of individuals and families, moving millions of people out of poverty. Critics argued that the cash incentive approach constructed by the Administration would not have the effect of encouraging people to work, and that it was essentially impossible to structure the cash assistance program so that it provided both adequate levels of benefits and sufficiently low marginal tax rates on earnings. The Administration was also criticized for not including a job guarantee as part of its employment program, and for not providing for better administrative coordination between its cash and employment programs.

In 1979, the House passed a limited version of the Administration's original cash assistance proposal. However, the employment component of the program did not get House approval. The Finance and Labor and Human Resources committees in the Senate never went beyond holding hearings on the Administration's bills.

THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT—ANOTHER EMPLOYMENT ALTERNATIVE

The 1973 Comprehensive Employment and Training Act (CETA) consolidated the many employment and training programs that had been enacted under various statutes during the 1960's. AFDC recipients were among those made eligible for CETA services. However, as in earlier programs, they represented only a small percentage of enrollees. Amendments in 1978 targeted CETA funding generally on low income individuals. These new eligibility criteria were adopted as the result of criticism that CETA was providing public jobs to a significant number of individuals who were not economically disadvantaged. The change in the eligibility criteria resulted in some increase in the number of AFDC recipients who were placed in public service jobs.

RECENT CHANGES IN WORK PROGRAMS AND WORK INCENTIVES

One of the major changes in AFDC law that was proposed by the Reagan Administration in 1981 was for the creation of a community work experience (CWEP) program, in which recipients could be required to "work off" their welfare benefits by participating in State or local work projects. The proposed CWEP program was very much like the community work and training program that was enacted in 1962, and that operated in a number of States until replaced by the WIN program in 1968. It was also similar to the program implemented in California while Ronald Reagan was governor of that State.

The second major change was to repeal that part of the 1967 WIN amendments that required the permanent disregard of $30 plus one-third of an AFDC family's monthly earnings. The $30 plus one-third disregard was limited to the first 4 months of employment. Additional changes had the effect of similarly reducing or eliminating benefits for families with other sources of income.

The Congress enacted most of the Reagan proposals, although it made the implementation of community work experience programs an option, rather that a requirement, for the States. In addition, the Congress approved two amendments related to employment and training for AFDC recipients that were initiated by the Committee on Finance. One amendment authorized the States to implement a "work supplementation" program in which States could reduce AFDC benefits payable to certain recipients, selected by the State, and use the money saved to provide subsidized jobs, which would be available on a voluntary basis. The second authorized the States to operate WIN demonstration programs in which State welfare agencies were to be given full responsibility for administering the WIN program, and allowed to design their own package of employment and training services.

Since the enactment of these amendments in 1981, the Reagan Administration has proposed new amendments each year which would give State welfare agencies the responsibility of putting large numbers of recipients into some form of State employment program. In 1982, the Congress approved an amended version of the Administration's employment search proposal, again giving State welfare agencies an option, rather than requiring them to implement an employment search program. However, the Congress has rejected the other proposals that have been put forward by the administration since 1981 that would require State welfare agencies to place most employable AFDC recipients in some form of work or training program.

The Congress has also rejected the Administration's proposal to repeal the WIN program. The Administration has argued that the WIN training function could be provided under the authority of the Job Training Partnership Act, enacted in 1982 as a replacement for CETA.

Since 1982, the Committee on Ways and Means has initiated a number of amendments to limit and overturn the effect of the 1981 changes in rules for counting earned and other income. The Congress has approved several of the Committee's initiatives, allowing some AFDC recipients who become employed to retain cash and Medicaid benefits for a limited period of time. The Ways and Means Committee has also proposed a requirement that all States must extend AFDC benefits to families with an unemployed parent. This amendment to change the Unemployed Parent program from an optional to a mandatory part of the AFDC program passed the House, and was agreed to as a part of the conference agreement on the fiscal year 1986 budget reconciliation bill. After the conference agreement was defeated, this provision was deleted from the legislation by subsequent action on the bill.

B. Some Major Issues the Congress Has Tried To Resolve

Since the Congress first approved legislation in 1956 to authorize employment and training and other related services for AFDC recipients, it has had to consider a number of recurring issues. Some of the major ones are:

SHOULD AFDC RECIPIENTS BE TREATED AS EMPLOYABLE?

During the first 20 years of the program, recipients of aid were not considered to be employable so far as Federal policy was concerned. The framers of the original legislation assumed that mothers in families without a father, for whom the program was designed, were unemployable because of their role as providers of care for their children.

However, when the Congress agreed in 1961 to allow the States to extend aid to families in which the father was unemployed, it assumed that most of the fathers in question were employable. The 1961 amendments included a work requirement, and a penalty—denial of benefits to the family—if the requirement was not met.

In 1967, when the Congress made the unemployed father program a permanent (but still optional) part of the AFDC law, it added eligibility criteria which were aimed at assuring that the program was limited to fathers who would be employable. The Congress built into the eligibility rules a requirement for a prior (and recent) attachment to the work force. If the father had recently been employed, it was reasoned, he could and would be employed again.

The question of whether mothers should be treated as employable has not been so easy for the Congress to decide.

Amendments to the AFDC law in 1956 and 1962 emphasized services to end dependency, and clearly included employment and training services as one way to help AFDC mothers become independent of welfare. However, the underlying assumption that most of these mothers were unemployable was not challenged.

In 1967, Joseph Califano, then a White House aide to President Johnson, was quoted in the press as saying that an Administration analysis showed that less than one percent of welfare recipients were employable.

This assumption of the unemployability of most AFDC mothers was criticized by the Committee on Ways and Means. Determined to limit the growth of the AFDC rolls, the committee initiated a package of amendments that assumed that many AFDC mothers, if given services and incentives, were employable and could become self-supporting. The committee's amendments required State welfare agencies to refer all "appropriate" AFDC adults, as well as older children who were not in school, to employment and training programs. Those who refused were to be penalized by a reduction in benefits.

The report of the Ways and Means Committee made clear that the provision was to apply to all mothers, including those with young children:

> Your committee intends that a proper evaluation be made of the situation of all mothers to ascertain the extent to which appropriate child care arrangements should be made available

so the mother can go to work. Indeed, under the bill the States would be required to assure appropriate arrangements for the care and protection of children during the absence from the home of any relative performing work or receiving training. The committee recognizes that in some instances—where there are several small children, for example—the best plan for a family may be for the mother to stay at home. But even these cases would be reviewed regularly to see if the situation had changed to the point where training or work is appropriate for the mother.

The Ways and Means treatment of mothers provoked strong criticism. Although part of the criticism of the committee's amendments was based on the argument that adequate day care could not, or would not, be provided, and that mothers would not be provided meaningful work, much of it was based on the grounds that mothers should remain at home to care for their children.

When the bill got to the Senate, the Committee on Finance reacted to this criticism by excluding all mothers providing care for a preschool age child from being required to participate in employment or training programs. The committee also gave State welfare workers the authority to exclude any other person if they determined that this was in the best interests of the individual concerned. A Senate floor amendment further diluted the work requirement for mothers by specifying that a mother with a child under age 16 could not be required to work except while the child was in school.

The Ways and Means Committee held firm in conference on the 1967 WIN amendments. The law finally approved by the Congress reflected the policy that it had proposed, requiring that all mothers be evaluated for referral to work or training.

Neither Federal nor State welfare administrators were ready to follow the lead of the Congress in its policy of assuming—and requiring—participation by mothers in the employment and training programs created by the 1967 amendments. Implementation proceeded slowly and unevenly. In 1971 the Congress amended the law to apply the work requirement only to those mothers not caring for a child under age 6. It also limited State discretion to excuse other recipients from the work requirement. At the same time, however, it required that mothers who volunteered for participation, and young mothers and pregnant teenagers, should be given high priority in being served by WIN.

The proposals for changes in welfare program design that were approved by both the Ways and Means and Finance Committees during the period of the Nixon welfare reform debate continued to reflect the view of the committees that mothers without very young children should be treated as employable. The Ways and Means Committee proposed to enroll all mothers without a child under age 3 in its work and training program for employable welfare recipients.

The Finance Committee proposed that mothers with no child under age 6 be offered a guaranteed job, at the same time making them ineligible for welfare. In its report it posed the following questions:

> * * * Does it make sense to pay millions of persons not to work at a time when so many vital jobs go undone? Can this Nation treat mothers of school-age children on welfare as though they were unemployable and pay them to remain at home when more than half of mothers with school-age children in the general population are already working?

Both the Nixon and Carter administrations proposed the replacement of the AFDC program with a new cash assistance program that added "working poor" families with two parents to the Nation's welfare system. Both administrations structured their proposals on the assumption that one parent in these two-parent families would work, and provided a combination of cash incentives, work requirements, and work and training programs to carry out their intent. They differed, however, in their proposals for single mothers with children.

The Nixon Administration proposed the same cash incentive provisions for single parents as for the working poor. The Carter Administration differentiated between them, providing a greater cash incentive for the working poor, who were "expected to work," than for single parents with young children, who were "not expected to work." The Nixon Administration exempted a mother with a child under age 6 from the work requirement. The Carter Administration exempted a mother with a child under age 7 from work, and required a mother with a child between ages 7 and 14 to work only while the child was in school. Both the Nixon and Carter proposals would have allowed mothers to volunteer for participation in their employment and training programs.

In 1981, the Congress adopted the Reagan Administration's proposal to allow States to require any mother without a child under age 3 to participate in a community work experience program. In proposing its 1981 changes for new work requirements and new work programs, the Administration argued that "everyone receiving assistance who is capable of working should be involved in a work program." At the same time, it proposed repealing the 1967 cash incentative provisions.

As this summary indicates, the direction of legislative changes (and proposals that have not been enacted) has generally been toward accepting the notion that AFDC mothers should be treated as employable, and that the program should be designed to reflect that notion. However, with the exception of amendments passed in 1967, the Congress has shown reluctance to impose a work requirement on mothers with very young children.

As a practical matter, the proportion of AFDC mothers who have participated in a work and training program, either on a voluntary or a mandatory basis, has always been very small.

HOW SHOULD EMPLOYMENT AND TRAINING PROGRAMS BE ADMINISTERED?

Determining the administrative structure of employment and training programs for AFDC recipients has been one of the most difficult issues for the Congress to resolve.

There have been several inherent difficulties.

(1) The Congress has generally assumed that the diversity of the AFDC population required the availability of a wide range of employment, training, and social services. This assumption has necessarily introduced the question of how these services can be coordinated.

(2) The Ways and Means and Finance Committees have created programs to meet the specific needs of AFDC recipients. The Education and Labor, and Labor and Human Resources Committees have created other programs to meet the needs of a broader population considered to be disadvantaged, or having low income. These two distinctive sets of programs have been given different administrative structures that have posed further problems of coordination.

(3) Given the many agencies at various levels of government that have been involved, it has been difficult to hold anyone accountable for program success or failure.

The administrative structure created for the 1967 WIN program reflected an attempt by the Congress to resolve some of these difficulties. It was decided to place the lead responsibility for WIN in the Department of Labor because it was believed that Labor had more experience in administering the desired range of employment and training services than did the Department of HEW (and the State welfare agencies), and because it was believed that WIN services could best be coordinated with those provided by other employment and training programs if they were all combined in one department.

The Congress did not foresee the difficulty of coordinating the Labor Department's services (carried out by State employment offices) with the cash payment and social services functions (carried out by both welfare and social services agencies). As WIN was implemented, this problem of coordination became apparent, and amendments were enacted in 1971 to try to improve the labor-welfare agency working relationship.

Although it was hoped that placing the WIN program under the Department of Labor would give AFDC recipients assured access to other employment and training programs, this was not the case. Both the 1962 Manpower and Development Act and the 1973 Comprehensive Employment and Training Act were criticized for failure to serve AFDC recipients, and amendments were enacted to try to give AFDC recipients more access to these programs. Improvement was made difficult, however, by the fact that these programs were administered at the local level by different agencies from those administering WIN.

In 1981, an amendment was introduced in the Senate, and approved by the Congress, that had the effect of giving State welfare agencies greater control over WIN operations. Senator David Boren, the amendment's chief sponsor, argued that the WIN program had "two serious flaws." These he identified as "dual administration (HHS and DOL), and inflexibility within the system—which result in a lack of agency accountability, cumbersome administrative rules and regulations, high cost, and poor performance." His proposal, he said, would allow the use of State and local units of government "which are the most responsive, best equipped

and most competent levels of government to develop and administer programs to meet the needs of families with children."

The Boren amendment, which the Reagan Administration supported, allows State governors to give their State welfare agencies the authority to administer the WIN program on a demonstration basis. Half the States have elected to run a WIN demonstration program, under which the welfare agencies have complete flexibility to design their own programs. Neither the Department of HHS nor the Department of Labor has authority to direct activities in these States.

Since 1981, the Congress has passed other amendments that give State welfare agencies authority to operate programs of job search, community work experience, and work supplementation (allowing States to use welfare payments to subsidize jobs). These changes have been in keeping with the Administration's argument that the welfare agencies have the superior ability to meet the needs of welfare recipients.

Since 1982, the Administration has proposed the repeal of the WIN program. It has argued that any institutional training services that are needed can be provided under the 1982 Job Training Partnership Act.

The direction of these changes has been toward minimizing the use of the WIN administrative structure, while giving new responsibilities to State welfare agencies.

State governors also have been given more authority under the Job Training Partnership Act than they had under the previous CETA legislation to coordinate the activities of the prime sponsors in their States.

It is still too early to determine what effect this general shift toward centering responsibility for administering employment and training programs at the State level will have on the delivery of services to AFDC recipients.

WHAT SHOULD BE THE NATURE OF AN EMPLOYMENT AND TRAINING PROGRAM—JOB SEARCH, WORKFARE, CLASSROOM TRAINING, OTHER?

All of the proposals that have been made to provide employment and training services for AFDC recipients have assumed that the first goal is employment in the regular economy. They have differed, however, in how individuals should be helped to achieve that goal. The approaches that have been considered include institutional training, public and private subsidized jobs, on-the-job training, job search programs, community work experience, job guarantees, and others. Proposals have also differed in the emphasis that has been placed on providing services to meet individual needs.

When the Congress enacted the WIN program in 1967, it anticipated that a large percentage of both AFDC mothers and fathers would be enrolled, and that some would be better prepared to join the regular work force than others. The Finance Committee said in its report:

> The Secretary of Labor would use a number of procedures to assist persons referred to him by the welfare agencies to become self-sufficient through employment. Although the ultimate goal will be to move as many persons as possible into reg-

ular employment, the Secretary would have to establish alternative programs to meet the needs of recipients for whom this approach is not immediately feasible.

The WIN amendments required the Department of Labor to evaluate the employment potential of each individual, and to assign the individual to the kind of activity best suited to his needs. Those with work skills that were needed in the locality were to be referred to regular employers in the community, or, if that was not possible, to on-the-job training. Next, those who could not be placed in jobs were to be enrolled in institutional training, work experience programs, or any other kind of education or training program determined to be useful. Finally, those for whom no job could be found and for whom training was inappropriate, were to be referred to special work projects operated by public agencies and private nonprofit agencies—a form of public service employment.

The Congress soon began to criticize the Department of Labor, however, for the way it was carrying out these requirements. In particular, the Department was criticized for not placing enough participants in jobs, and for using too much of its funds to train participants for jobs that did not exist in the local economy. The 1971 WIN amendments required a greater emphasis on job placement, including on-the-job training and public service employment.

As a result of the 1971 amendments, WIN officials began to develop employment search programs, using various techniques to move participants into employment without first being trained. There was very little attempt to develop WIN public service employment programs, however, largely because of the high costs involved and the limited funding that was available.

Some public service employment was provided to AFDC recipients under Comprehensive Employment and Training Act programs. Amendments to CETA in 1978 required that CETA funds be targeted on low income individuals, including AFDC recipients. This requirement increased the number of AFDC recipients in CETA PSE jobs, but the numbers still remained small.

In 1972 the Finance Committee approved a job guarantee program that would have assured individuals of placement either in a regular job (as a first priority), or in a partially or fully subsidized job. This proposal, which the committee developed as an alternative to the Nixon welfare reform proposal, was approved by the full Senate only as one of three major welfare reform proposals to be tested by the Department of HEW. The Senate's proposal for tests of welfare alternatives was not enacted.

The welfare reform proposals of both the Nixon and Carter adminstrations depended on a combination of cash incentives, work requirements and work programs to move large numbers of individuals, particularly the "working poor" who were to be added to the welfare system, into employment. The work programs proposed by both were relatively flexible in their design. However, the Carter proposal placed greater emphasis on a program of initial job search, backed up by a CETA public service job for those who failed to find work in the regular economy.

Provisions in the 1981 Budget Reconciliation Act ended funding for public service employment under CETA. At the same time,

amendments to the Social Security Act expanded the kinds of programs that could be used to provide employment and training for AFDC recipients. State welfare agencies were given the authority to administer community work experience programs (workfare), work supplementation (using welfare benefits to subsidize jobs), and WIN demonstration programs. The following year, in 1982, they were given authority to administer job search programs.

The Reagan Administration has either initiated or supported all of these changes. In addition, it has proposed amendments to end Social Security Act (WIN) funding for classroom education or training programs. It has argued that this type of training should be provided under the 1982 Job Training Partnership Act. The Congress has continued to fund the WIN program, although at substantially reduced levels.

The new authority given to the States since 1981 has allowed them to exercise great flexibility in designing their own employment and training programs. Most of the States have implemented at least some new kind of project, and many have plans to expand their experimental efforts.

Some of the new programs, particularly community work experience, have been controversial. None has yet been tried on a very large scale. So far, the question of whether any one type of program, or any particular combination or sequence of programs, is most effective, has not been answered. Evaluations are being conducted, however, and may provide useful data to guide State and Federal policy makers.

HOW CAN CHILDREN OF WORKING PARENTS BE ASSURED OF ADEQUATE CARE?

From the time that the Congress first began to assume that the presence of a child in the home did not automatically make an AFDC mother unemployable, it has been confronted with the question—If the mother is working, what provision should be made for the care of the child?

The approaches taken have been varied: direct funding of day care programs through expansion of existing programs or creation of new ones; indirect funding for day care by disregarding the cost of care from earnings when determining AFDC benefit amounts; structuring employment and training programs so that mothers will participate only while their children are in school; and employing some AFDC mothers to provide care for the children of other mothers who are employed or in training. There has also been an underlying expectation that at least some AFDC mothers, like other mothers in the work force, will find their own providers of child care—a member of the family or a friend—and that government financing of care is not necessary in such cases.

When the Congress enacted the WIN program in 1967, it expected that additional child care would have to be provided, and it expected that the Federal government would pay the bulk of the cost. The 1967 amendments provided 75 percent Federal matching for day care services to be provided (or purchased) by State and local welfare or social services agencies. (There was already a provision in the law for indirect funding for day care services by requiring a

disregard from earnings of costs of care purchased by a welfare recipient.) In addition, the Ways and Means Committee in its report urged the States to try to work out arrangements under which some AFDC mothers would provide care for the children of other AFDC mothers who took other jobs.

The WIN program soon came under criticism, however, for its failure to provide necessary day care services. The Committee on Ways and Means observed in its 1971 report on H.R. 1 that "The experience with the present WIN program has shown clearly the importance of child care services in enabling mothers to undertake employment and training. Child care under present law has been inadequate, with the result that many AFDC mothers who might have moved toward economic independence have been unable to do so because of the lack of adequate child care arrangements for their children."

The Congress passed amendments to WIN in 1971 to increase Federal matching for day care and other supportive services from 75 percent to 90 percent, aiming thereby to encourage the States to increase their efforts to provide day care services to WIN participants. Federal appropriations for day care, however, remained relatively small.

The Nixon welfare reform proposal envisaged a significant increase in expenditures for day care, using the same Federal-State funding and Labor Department-welfare agency administrative relationships that were provided by WIN. However, by 1971, the Ways and Means Committee had become disillusioned with that approach to administration. When it reported its own version of the Nixon welfare reform proposal in 1971, it proposed giving to the Secretary of Labor direct authority to provide day care for participants in the work and training program. "In this way," the committee said, "it is expected that the necessary coordination of manpower services and child care services will be achieved. The Secretary of Labor will have both authority and funds to purchase needed day care."

The Finance Committee also decided in 1972 that a great expansion of child care services was needed, and that a new administrative mechanism must be created. Its guaranteed job program included a proposal to establish a new child care bureau, financed through a revolving fund, established by Congressional appropriations. Operating costs were to be met in part by the collection of fees, based on family income.

These rather ambitious proposals for expanding child care services were not enacted, and during the 1970's there was a loss of momentum in efforts to develop any new Federal day care program. Part of the change in attitude may be attributed to a growing recognition of the high cost of providing care, especially the "quality" care that many advocates of new programs have demanded. In addition, proposals for Federal child care programs were under attack by those who believed that the Federal government should not be a major provider of child care.

The 1977 Carter welfare reform proposal did not provide for a major expansion of Federal funding for child care. However, the Administration did anticipate that some of the individuals who would be provided with subsidized jobs would be employed as child

care providers, which would have the effect of indirectly funding an expansion of child care facilities. The Carter bill also provided for a disregard of child care costs in determining cash benefits.

The Carter Administration estimated that significant numbers of AFDC mothers would work under its proposal. An underlying premise, however, was that most mothers of children age 7 to 14 would work part time, while their children were in school. Most mothers who had children under age 7 were expected to remain at home to care for their children. The need for new sources of care, therefore, was not considered to be large. Although the welfare reform bill that was reported by the House Special Welfare Reform Subcommittee in 1978 included a subcommittee-initiated proposal for a pre-school education program, the bill that was passed by the House in 1979 dealt only with the provision of cash assistance, and not with services of any kind.

Although the Reagan Administration has emphasized the desirability of employment for AFDC mothers, it has not proposed any major new child care initiatives, and has cut funding under some existing programs. It has indicated that it expects that mothers who participate in the community work experience program will be required to work mostly during hours when their children are in school, thereby minimizing the need for services. It has also urged States to develop community work experience programs that use AFDC mothers to provide care for other AFDC mothers.

Some child care for AFDC recipients has been provided over the years through Department of Labor employment and training programs. CETA, for example, provided some funding for child care for persons participating in public service employment programs. It also provided funds to train and employ CETA participants as child care providers. The Job Training Partnership Act, which has replaced CETA, also authorizes the use of funds to train child care providers.

At present, the social services block grant program, authorized by Title XX of the Social Security Act, is the major source of Federal funding for child care for AFDC children. The Head Start program also provides some funding, as does WIN.

Some States that have shown interest in expanding programs for the employment of AFDC mothers have been considering ways to develop sources of care for AFDC children. Some, however, have indicated that their experience so far has shown that the need for subsidized day care is not as great as had been expected. There has been no recent study of the need for child care by AFDC recipients. However, some relevant information may be developed as the States and HHS continue to evaluate the State-administered employment and training programs.

C. The Problem of Lack of Consensus

Although for the last 30 years the Congress has repeatedly debated whether and how to provide employment and training programs for AFDC recipients, it has had great difficulty in developing legislation that reflected a genuine consensus. Many proposals that have been put forward have not been enacted, and those that have been enacted have been implemented only half-heartedly.

The social services legislation initiated by President Kennedy in 1962 did not bring about the "war on dependency" that advocates of the legislation expected. The community work and training program, also part of Kennedy's package of welfare amendments in 1962, was implemented by only 13 States in the six years that it operated. Federal and State administrators shunned it, among other reasons, because it was regarded as "work relief."

The WIN program, initiated by the Congress in 1967, was attacked by some in the Congress and in the Administration as being "punitive." Most States showed very little enthusiasm for enforcing the WIN work requirement, and this lack of enthusiasm carried over into less than full support for implementing the services authorized by the WIN legislation. WIN funding never reached the levels anticipated when it was enacted.

The Nixon and Carter Administrations were unable to convince the Congress that their proposals to expand coverage of the welfare program, and to rely on a combination of cash incentives, work requirements and work programs, to move recipients into the regular economy, would actually work. The debate over their proposals resulted in the introduction of alternatives that also failed to be enacted—among them proposals for a job guarantee, and for block grants to States to allow them to develop their own programs.

Programs authorized by both the Comprehensive Employment and Training Act (CETA) and the Job Training Partnership Act (JTPA) have been required by law to serve AFDC recipients, but the number accepted as participants in CETA and JTPA programs has always been small.

The bitter debates of the 1960's and 1970's, and the discouraging administrative confusion and lack of policy coherence that have ensued, might lead to the conclusion that everything has been tried, and nothing works. In fact, history would seem to show that as yet relatively little has been tried, and almost nothing has been tried under circumstances that permit solid conclusions to be drawn.

In recent months, both the Reagan Administration and the Congress have expressed interest in exploring new alternatives in AFDC policy. Only time will show whether it will be possible to forge a consensus that will generate the consistency, persistence, cooperation, and commitment of resources that appear to be necessary if any policy is to succeed.

PART II—AFDC LEGISLATION IN DETAIL

A. Enactment of a Program of Aid To Dependent Children*

THE RATIONALE

Mr. Chairman, the mother may be the queen of the home, but the father is the breadwinner, the provider, who keeps the home intact. The home is the foundation of all society. Upon it the superstructure of all government must rise. Destroy the home and you destroy the most sacred human institution devised by mankind.

Death, through the loss of the breadwinner, has broken many a home. For centuries the widows, orphans and dependent children have cried aloud for help and assistance in their tragic periods of economic insecurity. In the past the only recourse for orphaned children was the poorhouse, almshouse, and the orphan asylum.

The twentieth century of civilization has awakened our citizens to the duty and obligations they owe to these unfortunate orphans. Forty States in our Union have thus far enacted widows' pensions or child-welfare laws, to protect these innocent orphaned victims of previous-inhuman capitalistic and legislative indifference. [Applause]

Widows' pensions and child-welfare laws have had the spirit of humanity breathed into them by permitting the mother to have the custody of her own brood in her own home, by having the State give to the mother the money it formerly gave to an institution to take care of these orphans. In this way the State has preserved the integrity of the home. In its own home the child becomes the beneficiary of the tender love, the gentle solicitude, and the gracious care of its own mother. In an institution a child becomes a mechanical automaton. In its own home it is treated as a human being. Children reared in an orphan asylum lose their affection for those they should love. In the home the ties that bind the child to its mother are firm, unyielding, and enduring.

This bill, so carefully conceived, further protects the home because millions of dollars are granted by the Federal Government to the States, that will eliminate the orphan asylums and restore the orphaned child to the custody of its own mother, who is the proper and noblest guardian of childhood.

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*P.L. 271 (The Aid to Dependent Children program was renamed "Aid to Families with Dependent Children in 1962.)

QUOTATION FROM A SPEECH BY REP. WILLIAM I. SIROVICH (D.-N.Y.) IN SUPPORT OF PASSAGE OF THE SOCIAL SECURITY ACT, APRIL 16, 1935; CONGRESSIONAL RECORD, P. H5786-5787.

Congressman Sirovich's impassioned speech, quoted above, was made during the course of the debate in the House of Representatives on the passage of the Social Security Act of 1935. His rationale for enactment of a new Aid to Dependent Children (ADC) program was the one that was generally given when the proposed legislation was discussed. The new program was expected to help widows care for their children in their own homes, and to eliminate the need for orphan asylums. The language of the legislation was actually broader than this rationale implied. It provided assistance to a needy child who was dependent because of the death, absence, or incapacity of a parent. Thus, assistance could be provided in the case of absence or incapacity, as well as in the case of death. And the parent involved could be either the father or mother.

However, the basic intent of the legislation was, indeed, to help mothers and children, and the underlying assumption was that ADC would be a program that did not include persons who were employable. Certainly the mothers of ADC children were not considered to be obvious candidates for employment. Congressman Sirovich's comments made this clear, as did the report of the Committee on Ways and Means. In presenting the rationale for the new ADC program, the committee stated:

> One clearly distinguishable group of children, now cared for through emergency relief, for whom better provision should be made, are those in families lacking a father's support. Nearly 10 percent of all families on relief are without a potential breadwinner other than a mother *whose time might best be devoted to the care of her young children.* (Emphasis added) [1]

EARLY STATE WORK REQUIREMENTS

In terms of Federal policy, this view prevailed for some two decades, until amendments in 1956 introduced the concept of encouraging parents to attain "maximum self-support and personal independence."

Even before this, however, individual States, which under Federal law had the authority to impose their own more restrictive eligibility criteria, began adopting laws that required mothers to work in order to receive assistance. By 1953, 11 States had variously phrased laws that involved compulsory work. Both Nebraska and the District of Columbia denied assistance if the mother was able to work. The District of Columbia also specifically required that if a mother was required to work, "suitable" provision must be made for the care of her children. The Alabama State plan specified that parents must not refuse suitable work if "adequate" plans could be made for their children. Arizona, Arkansas, California, Georgia, Illinois, Mississippi and Rhode Island had similar provisions. Tennes-

[1] U.S. Congress. House. Committee on Ways and Means. Report on H.R. 7260, 74th Cong. 1st sess. Rept. No. 615, p. 10.

see stipulated that the mother must be unemployable in order to receive assistance.

During the 1950's the number of States with compulsory work requirements continued to grow, and by January 1962, 10 additional States had added work requirements: Florida, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, South Carolina, Texas, Washington and West Virginia. There is no available evidence to show to what extent these requirements were actually enforced. Results of a national survey by the Department of Health, Education, and Welfare (DHEW) (now Health and Human Services (HHS)) indicated that in November-December 1961, 5.1 percent of ADC mothers were employed full time, and 9.2 percent were employed part time.

B. Adoption of the Concept of "Self-Support"*

EISENHOWER ADMINISTRATION INITIATIVE

The idea that ADC parents should be encouraged to attain "maximum self-support and personal independence" was introduced into the Federal statute as the result of deliberations of the 84th Congress. The initiative, however, came from the Administration. In his budget message in 1956, President Dwight D. Eisenhower said:

> The Federal Government should also do more to assist the States to adopt preventive measures which will reduce need and increase self-help among those who depend on public welfare.

When the Administration testified before the Committee on Ways and Means in the spring of 1956, it placed considerable emphasis on the importance of providing services to welfare recipients, including recipients of ADC. In explaining its proposed amendments to the committee, the Administration stated:

> We are aware that the committee, in its report on H.R. 6000 in 1950, states that authority already exists to provide services to applicants and recipients of public assistance. We believe, nevertheless, that it is important to emphasize the purposes of the Federal law along these lines. Many States have already recognized this as a purpose of the law and are already providing or attempting to provide the necessary services to help achieve these goals. In some instances, however, we believe that more could be done. We also believe that if the purposes of the Federal act could be clarified as indicated above, the Federal agency would be in a better position to give leadership and help to the States and the localities to achieve the desired goal. The legislation would also clarify the fact that the Federal Government is willing to share with the States in the cost of providing these services. The services would be provided as a necessary part of the administration of the program and would be shared by the Federal Government on a

*P. L. 880.

dollar-for-dollar basis as with all other administrative costs.

I should like to make clear what we mean by "self-care services." What we mean is the kinds of services which have been rendered by trained workers to individuals and families for decades. They represent a tried and tested approach to difficult human problems. The needy person and his case worker work on his particular problem, discovering his capacities to solve his particular problems and use other services the community can offer him. Thus, the individual is helped to use his own and all the resources of the community and to meet his problems.[2]

CLARIFYING "SELF-SUPPORT"

Wilbur Mills, chairman of the committee, sought to clarify the intent of the proposed "self-support" and "self-care" terminology. "Do you mean," he asked, "that you are getting these people prepared through the new program that you are undertaking in this bill to remove themselves from the welfare roll? Is that what you are suggesting? Or is self-support that they can cook their meals and take care of themselves without some outside help while receiving funds from the welfare department within the State?"

Charles Schottland, Comissioner of Social Security, who was testifying on the proposal, replied that the Administration intended to achieve both purposes.

> We are including both in these terms, and both are being now done by the States. The concept of self-care is a concept of people being able to take care of themselves more adequately, and self-support that they actually be self-supporting. We have a large number of persons going off the public assistance rolls monthly, and it is an important reason for closing out cases. They are going off because they are self-supporting, and they are either getting a job or it may be it is an ADC case, where the mothers are being reunited with the fathers, or for some other reason. Maybe it is a blind case where we have put them through some rehabilitation training and they have gotten a job, or a disabled case.
>
> So it is both the concepts of being able to take care of themselves better and working to rehabilitate them so that they may be self-supporting on their own.[3]

When the Senate Finance Committee reported its version of the Social Security Amendments of 1956, it incorporated the Administration's recommendation to expand the purpose of the ADC program beyond that of pure cash assistance. The committee's bill amended the purpose clause of the ADC law to add, in addition to the furnishing of financial assistance, the furnishing of services "to help maintain and strengthen family life and to help such parents or relatives to attain the maximum self-support and personal inde-

[2] U.S. Congress. House. Committee on Ways and Means, Hearings on H.R. 9120 and H.R. 9091, 84th Cong., 2d sess., pp. 14–15.
[3] Ibid., p. 39.

pendence, consistent with the maintenance of continuing parental care and protection * * *." Federal matching of 50 percent was also specifically authorized in the bill.

Senator Harry Byrd of Virginia, in defending the committee's amendment on the Senate floor, commented:

> Services that assist families and individuals to attain the maximum economic and personal independence of which they are capable provide a more satisfactory way of living for the recipients affected. To the extent that they can remove or ameliorate the causes of dependency they will decrease the time that assistance is needed.[4]

Although the House had not yet approved the Administration's proposal for services, the House conferees on H.R. 7225, which included the Senate's ADC changes, accepted the language expanding the purpose of the program. The conferees also agreed to authorize Federal reimbursement of 50 percent of the costs incurred by a State in providing services.

C. "Unemployed Parents" Come Into the Program*

The Rationale for the "UP" Program

Federal involvement in the issue of employment and training for ADC recipients became more explicit in 1961. In a speech on February 2 of that year, newly-elected President John F. Kennedy made a speech on economic recovery. Citing the problem of high unemployment, the President called for legislation to provide Federal matching funds under the ADC program for a new category of recipients—those determined to be needy because of the unemployment of a parent.

When a bill proposing this change was presented to the Congress, two basic arguments were made in its support. Secretary of Health, Education, and Welfare, Abraham Ribicoff, told the House Committee on Ways and Means:

> Basically, there is no reason why a hungry child of an unemployed father should not be fed, as well as a child in other unfortunate circumstances.
>
> There is a grave need, here, because what we are trying to do with ADC is keep families together. And certainly we should not, as a society, so conduct our programs as to discourage a family grouping or to encourage a parent to leave the home in order for his children to receive aid in their basic needs.
>
> Of course, this also would have economic benefits, as well as the humane, by placing into circulation during the next 15 months some $305 million. It is part of the President's program against the present recession.[5]

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[4] Congressional Record. Senate. July 17, 1956: S13034-13035.

*P.L. 87-31.

[5] U.S. Congress. House. Committee on Ways and Means. Hearings on H.R. 3864, 87th Cong., 1st sess., p. 95.

The rationale, then, was twofold. The bill would meet a human need by providing aid for children of the unemployed, and it would help to pull the country out of a period of economic recession.

CONDITIONS OF ELIGIBILITY

The legislation passed both the House and Senate, and was signed into law in May 1961. The provisions were temporary. The program was effective May 1, 1961, and was to continue only through June 1962. The Act provided that the term "dependent child" would include a needy child under age 18 who had been deprived of parental support or care by reason of the unemployment of a parent. The term "unemployment" was to be defined by the States.

The program was permissive with the States. They were not required to develop an unemployed parents program. If they did, however, they were required to adopt certain specified procedures. Their State welfare agencies had to enter into cooperative arrangements with public employment offices, with the express goal of finding employment for unemployed parents. States had to provide for work registration and periodic reregistration of the unemployed parents, and for maximum utilization of job placement services. Furthermore, States were required to deny aid to a child or relative if the unemployed parent refused without good cause to accept employment in which he was able to engage which (1) was offered through public employment offices, or (2) was offered by an employer if the offer was determined by the State or local agency to be a bonafide offer of employment.

The new law also required the State welfare agency to enter into cooperative arrangements with the State vocational education agency, to encourage the retraining of individuals capable of being retrained.

Thus the Congress, when it added a new category of recipients that it recognized as clearly being employable, also added provisions to the law which—for the first time—were clearly and specifically designed to move ADC recipients into jobs. The new legislation provided (1) an administrative mechanism: State welfare agencies had to make cooperative arrangements with State employment services and vocational education agencies; (2) a work requirement: there had to be provision for registration and periodic reregistration of unemployed parents; and (3) penalties: assistance could not be provided for children whose unemployed parents refused without good cause to accept employment.

D. Public Welfare Amendments of 1962—"A Fresh Start"*

WAGING WAR ON DEPENDENCY

In 1962 President Kennedy proposed amendments that called for an even stronger Federal emphasis on promoting self-support for recipients, and on reducing dependency. In a speech on February 1, the President initiated the public assistance amendments of 1962 by stressing the importance of providing rehabilitation and train-

*P.L. 87-543.

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ing for public assistance recipients—families receiving aid to dependent children, as well as persons dependent because of age or disability.

Throughout the course of the '62 amendments, the hope was repeatedly expressed that the proposed changes would result in a new direction, "a fresh start," for welfare. When Abraham Ribicoff, Secretary of Health, Education, and Welfare, spoke in behalf of the Administration's bill before the Committee on Ways and Means, he said:

> Essentially our task is to wage war on dependency. We would all like to see the day when a public assistance program would become completely unnecessary. Though we know that we can never realistically reach that point, we must do what we can to reduce the problem. It would be reckless to predict that the bill before you will bring about any quick or easy victory. But it will stimulate new—and renewed—effort in each of our States and counties. And these efforts, we know from experience, will pay * * *.
>
> The byword of our new program is prevention—and where it is too late—rehabilitation, a fresh start.[6]

Secretary Ribicoff was not alone in his enthusiasm for the Administration's social services bill. As it progressed through the House and Senate there were many who spoke in favor of it. Public welfare officials and organizations expressed the opinion that the proposed legislation promised real hope for moving significant numbers of public assistance recipients toward self-sufficiency.

Senator Robert Kerr of Oklahoma, speaking in favor of the bill on behalf of the Committee on Finance, said, it

> * * * heralds a turning point in the programs which we have constructed over the last quarter of a century and more to assist the least fortunate of our fellow citizens—the men, women, and children who are ill or handicapped or aged or destitute for a great variety of causes.
>
> Under this bill they can be given more than a grant of money to keep body and soul together. Financial assistance of course is now, and will remain, the first and most essential objective of public welfare. We are committed to the extent possible, to help see to it that no one be permitted to go hungry or unsheltered.
>
> But in addition, through this bill, we will offer something else. We will extend hope—hope of a future in which children helped by public assistance will grow up to be self-supporting, responsible adults; hope for putting unskilled and deprived adults back to work through counseling and training; hope for reuniting families parted by desertion and despair; hope for assuring children freedom from neglect and abuse; and, hope for the aged and the

[6] U.S. Congress. House. Committee on Ways and Means. Hearings on H.R. 10032, Public Welfare Amendments of 1962, 87th Cong., 2d sess., p. 165.

most severely handicapped of becoming less helpless and lonely than so many of them are today.

* * * * *

Although the rehabilitation services this bill encourages in all categories will be helpful to recipients in the three adult categories * * * these services may be expected to yield the most impressive results in the aid to dependent children program, under which more than 950,000 families with some 2,800,000 children are now receiving help.[7]

THE TOOLS FOR REHABILITATION—SERVICES AND COMMUNITY WORK AND TRAINING

The Congress accepted most of the Administration's proposals for services to families without major change. The amendments were lengthy. They raised from 50 to 75 percent the rate of Federal matching for services which a State elected to provide, and defined qualifying services as those designed to help a relative of a child receiving aid to "attain or retain capability for self-support or self-care, or services which are so prescribed and so provided in order to maintain and strengthen family life * * *" or other services specified as "likely to prevent or reduce dependency." (The House-passed bill would have *required* States to provide those services designed to meet these goals, as prescribed by the Secretary of HEW. This requirement was deleted by the Senate in favor of an optional approach.) The amendments also provided 75 percent Federal matching for the training of personnel needed to administer the State's services plan.

The unemployed parent program, enacted for a one-year period in 1961, was extended for an additional five years, to 1967.

As part of its package of amendments aimed at the "rehabilitation" of welfare recipients, the Administration proposed to allow State welfare agencies to operate community work and training (CW&T) programs. Both the House and the Senate agreed to the CW&T concept, and the amendments were enacted without major change. States that elected to operate CW&T programs were required to assure that they were "of a constructive nature," and were designed to conserve work skills and develop new work skills for AFDC recipients age 18 or above. States were authorized to operate the programs for the five-year period beginning October 1, 1962, and ending June 30, 1967. The statute allowed the States to claim 50 percent Federal matching for the costs of administering the programs.

The new community work and training legislation represented a major change in AFDC policy. Previously, the Department of Health, Education, and Welfare had interpreted the law as prohibiting the use of federal funds to make AFDC payments in the form of wages to recipients who were required to work on State and local work and training projects. The new amendments allowed the States for the first time to institute programs which, in essence,

[7] Congressional Record. Senate. July 3, 1962, pp. 11769–11770.

were designed to require recipients to "work off" their welfare benefits.[8]

However, when Secretary Ribicoff testified before the Ways and Means Committee on the "work relief" proposal (as he referred to it), he emphasized the benefits that could accrue from it, and quoted President Kennedy's welfare message:

> Earning one's welfare payment through required participation in a community work or training project must be an opportunity for the individual on welfare, not a penalty.[9]

During questioning, the Secretary further elaborated on his view of work programs for welfare recipients.

> Philosophically, as far as I am concerned * * * I would much prefer the Federal Government paying $50 toward useful work than to pay $50 to a man who sits on the back porch staring vacantly into space. * * *
>
> I think that we should encourage getting people off of relief doing nothing and to the fullest extent possible having them do some useful work, learning a trade or a vocation, and I have been a strong advocate of this type of program.[10]

The proposal for community work and training programs was also endorsed by the major organizations that testified on the bill. In hearings before the Finance Committee, Marvin E. Larson, representing the American Public Welfare Association, stated the general agreement of that organization. His endorsement was tempered, however, by the expressed concern that the new programs "would increase the cost of assistance for a minimal return in civic benefit." He also posed the question of whether operating a com-

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[8] Actually it appears that the State of West Virginia had been requiring fathers in the ADC-Unemployed Parent program to "work off" their grants since July 1961, without approval of the Department. West Virginia's use of ADC-U funds was explained in a statement by Senator Byrd on the Senate floor, July 17, 1962 (Congressional Record, p. 12932):

> In my State, payments received under the aid to dependent children of the unemployed is not looked upon as a dole. Under West Virginia regulations governing ADCU, the recipient husband and father is obligated to work on approved public work projects. Thus, the recipient earns every penny that is paid to him.
>
> . . . . .
>
> The ADCU program in West Virginia has been singularly successful in inspiring new hope and aspirations in the hearts of many persons in my State. It has made the unemployed father feel like a breadwinner again, and it has been a cohesive force for renewed family strength.
>
> The ADCU program has been good for West Virginia in many respects. It has been the vital force behind Gov. W.W. Barron's statewide cleanup campaign, and it has also been responsible for many improvements in our State parks and forests, for tourists and in-state vacationers. The program has also made possible the accessibility of heretofore unapproachable areas of scenic beauty to all who wish to see more of the grandeur of West Virginia's hills. In effect, this work will encourage tourism in the State, and thus eventually provide new employment opportunities in the private sector.
>
> . . . . .
>
> A committee amendment adopted on the floor of the Senate on July 3, would make the community work and training provisions of the bill effective retroactively to July 1, 1961. The amendment would do more than allow payment to those States—like West Virginia which utilized community work and training programs in the past in the same manner as the bill authorizes for the future.

[9] U.S. Congress. House. Committee on Ways and Means. Hearings on H.R. 10032, 87th Cong., 2nd sess., p. 171.

[10] Ibid., p. 293.

munity work and training program was a proper function of a public welfare program.[11]

Nelson Cruikshank, speaking on behalf of AFL–CIO, expressed general approval of the provision, so long as it included prevailing wage and health and safety standards.[12]

As enacted, the new community work and training legislation required States to meet certain conditions in order to qualify for Federal matching. These included the development by the States of appropriate standards for health and safety, and payment for work at rates not less than the State minimum wage and not less than the rates prevailing on similar work in the community. The reliance on State, not Federal, standards was advocated by Secretary Ribicoff in the Ways and Means hearings:

> I have tried in almost everything I have presented to this committee and the Congress that comes out of this Department to fully scrutinize and completely protect what I consider State's rights, because I believe in the Federal Government encroaching as little as possible upon our States, and to the extent that I help devise some of these programs or consult with this committee in working them out, I think you will always find me most zealous in protecting States rights and State standards.[13]

The law also provided that work performed in a CW&T program must serve a useful public purpose, and that any State operating a CW&T program must give assurances that work performed would not result in displacement of regular workers, or would not otherwise be performed by employees of public or private organizations.

Senator Harry Byrd, Chairman of the Finance Committee, submitted a written question to the Department asking for an example of work projects that would serve "a useful community or public purpose and do not result in displacement of regular workers or in the performance of work that would otherwise be performed by other employees." In response, the Department cited work in public parks and recreation facilities, or work in public institutions:

> Public parks and recreation facilities offer an excellent opportunity for public agencies to establish community work or training programs which would meet the criteria specified under the proposed legislation. On the assumption that communities have not been able to include in their budget funds for the extension of recreation areas and for the installation of recreational facilities, would be possible to use recipients of aid to dependent children under an appropriate program to work at this type of project. Mountain trails, campsites, and shelters in public parks could be created or extended, picnic areas could be developed, grading and landscaping of otherwise undeveloped public property could be undertaken. Public institu-

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[11] U.S. Congress. Senate. Committee on Finance. Hearings on H.R. 10606, 87th Cong., 2nd sess., p. 237.

[12] Ibid., p. 422.

[13] U.S. Congress. House. Committee on Ways and Means. Hearings on H.R. 10032. 87th Cong., 2nd sess., p. 294.

tions also offer an opportunity for the development of local projects. Once again, on the assumption that the county body has not been able to appropriate enough money to maintain the institutions as they should or to provide certain types of extra services and facilities, would be possible to establish projects that would fill this gap. Such employees could supplement the services of attendants by providing additional and necessary services to patients or inmates, might develop recreational facilities for patients in public institutions and the like.[14]

Because it was anticipated that most of the individuals who would be required to participate in the new community work and training programs would be unemployed fathers, neither the Administration nor the Congress placed any great emphasis on the question of day care services for the children of participants. The new law did, however, include a general requirement that States make provision for the care and protection of a child during the absence from the home of a mother or caretaker relative. The Department, in a written response to questions submitted by Senator Byrd, explained the kinds of day care arrangements that were envisaged to be established by the States:

It is likely that the States that wish to implement the proposed Federal legislation would do so in an effort to find employment for the unemployed parent of children receiving aid to dependent children. In most instances, this will be the father and thus there will be no particular application of the provisions in the statute relating to the care and protection of the child. If States should decide, however, to extend this activity to mothers who would otherwise be at home caring for their child or children, it will be necessary for the States to establish certain safeguards in order to provide assurance that the child will not suffer by reason of the absence of his parent at work. The standards that would apply in these instances would be those developed by the State under general provisions of Federal law. They will be designed to cover the points which will need to be taken into account in determining whether the child is receiving care and protection while his mother is employed. These could include leaving the child with a relative or friend, arranging for the child's care in a nursery or day-care center, or for the mother to be employed while the child is in school. All States have varying provisions in their plans now for this type of safeguard for the employed mother. It will be necessary for the States to carry these safeguards over into the community work or training program if they decide to have one. Inasmuch as this is a new development in public assistance, the bill contains authorization for the Secretary to prescribe other provisions, as needed, in order to have the work programs operate smoothly and effectively.[15]

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[14] U.S. Congress. Senate. Committee on Finance. Hearings on H.R. 10606, 87th Cong., 2nd sess., p. 60.
[15] Ibid., p. 61.

The 1962 CW&T legislation also required State Welfare agencies to enter into cooperative agreements with public employment offices and vocational education agencies, and prohibited the denial of assistance if an individual was found to have good cause for refusal to participate.

INTRODUCTION OF THE IDEA OF A WORK "INCENTIVE"

Along with provisions for the expansion of services and the creation of community work and training programs, the 1962 amendments added for the first time specific provisions designed to give AFDC recipients what the committee reports referred to as an "incentive" to enter employment. Under prior administrative practice, States were encouraged, but not required, to take into account expenses incurred by an individual in the earning of income. Also under prior administrative practice, States were allowed at their option to disregard certain amounts of income set aside for the education or training of a child. The new law required the States, in determining benefits (both eligibility and amount of payment) to take into account any expenses reasonably attributable to the earning of income, and specifically allowed then, subject to limitations prescribed by the Secretary, to permit all or any portion of the earned or other income to be disregarded if set aside for future identifiable needs of a dependent child.

LIMITED IMPLEMENTATION OF CW&T

Only 13 States made use of the community work and training authority during the years it was available, and the maximum nationwide enrollment, reached in Spring 1965, was slightly above 27,000. By June 1968 (the final month that the program was allowed to operate) the number had dropped below 12,000. A report by the Department of HEW analyzed the lack of development of the program and suggested the following reasons for its limited implementation:

> As to why more States with AFDC-UP have not provided for a CW&T program several reasons are postulated: (1) resistance to what was viewed as a work relief program; (2) the cost of Federal requirements for work and training coupled with insufficient financial incentives in the programs; and (3) State agencies being over-burdened and understaffed for simultaneous implementation of all of the 1962 amendments.
>
> All of the States which initiated CW&T programs previously had work relief projects for general assistance recipients. With the exception of Illinois, Oregon, and some counties in California, there had been little if any training component in these programs. Minimum Federal work and safety standards were met and the CW&T programs have continued to be largely characterized as work programs with training only in work habits. The States already mentioned and Washington are exceptions.[16]

[16] Community Work and Training Program, Department of Health, Education, and Welfare. Report to Congress, Jan. 1967. H. Doc. 76, 90th Cong., p. 25.

E. Expansion of the Work Incentive Concept*

When the House Ways and Means Committee reported legislation in 1965 providing for the establishment of the Medicare and Medicaid programs (the Social Security Amendments of 1965—H.R. 6675), it included in that major package of amendments a provision allowing States to increase the amount of earnings that could be disregarded in determining benefits for participants in the old-age assistance program. When the American Public Welfare Association later testified before the Finance Committee on that legislation, it recommended that the committee add a similar increase for AFDC recipients. Charles Schottland, speaking on behalf of the APWA, remarked that "Surely the encouragement of initiative and self-help is just as important, if not more so, for children and their parents as it is for the retired generation." [17]

The bill reported by the Finance Committee added an amendment to permit States, in determining need for assistance under the AFDC program, to disregard up to $50 a month of the earned income of any three dependent children under the age of 18 in the same home. The House-Senate conferees modified the Senate amendment, establishing a family maximum of $150 in earnings per month, not limited to three children, but retaining the limit of $50 with respect to any one child.

F. Enactment of the Work Incentive Program**

Ways and Means Concern About Growing Welfare Rolls

The social security amendments proposed by the Johnson Administration early in 1967 included a series of amendments affecting the AFDC program. The amendments provided for new Federal requirements with respect to the provision of cash assistance (the main one being to require every State to base its payments to families on the full standard of need as determined by the State, rather than a reduced payment, as was frequently the practice, and to update the standard annually), and for an increase in the Federal financial commitment. The amendments also included a proposal to expand and revise the community work and training legislation that was enacted in 1962, making the operation of work and training programs mandatory in all States, and it provided for a modest expansion of the existing requirements to disregard certain earned income.

The Ways and Means Committee took a very critical attitude toward the Administration's approach to the AFDC program. It rejected the proposal to require each State to pay its full standard of need. It also rejected what it saw as the Administration's view that employment could not be considered a viable alternative to cash assistance for more than a handful of recipients. Working in closed executive sessions to fashion its own welfare proposal, the committee discussed and rejected the assessment attributed by the press to Joseph Califano (who at that time was a member of the White

* P.L. 89-97.
[17] U.S. Congress. Senate. Hearings on H.R. 6675, 89th Cong., 1st sess., p. 844.
** P.L. 90-248.

House staff) to the effect that less than one percent of welfare recipients were employable.[18] Members argued that the Califano assessment was unduly discouraging, and that with the right kind of assistance—rehabilitation, training, transportation, day care, cash incentives, and others—a significant portion of AFDC parents (and their children) could be removed from the welfare rolls.

After weeks of deliberation in closed-door sessions, the committee reported a bill containing major amendments to the AFDC program that it clearly intended would have the effect of reducing the welfare rolls. The report described at some length what the committee perceived to be the problems of the AFDC program:

> Your committee has become very concerned about the continued growth in the number of families receiving aid to families with dependent children (AFDC). In the last 10 years, the program has grown from 646,000 families that included 2.4 million recipients to 1.2 million families and nearly 5 million recipients. Moreover, according to estimates of the Department of Health, Education, and Welfare, the amount of Federal funds allocated to this program will increase greatly (from $1.46 billion to $1.84 billion) over the next 5 years unless constructive and concerted action is taken now to deal with the basic causes of the anticipated growth. Although the growth which has occurred can be accounted for, in part, by the inclusion in the program of assistance to the children of the unemployed (added in 1961 on an optional basis to the States) and to increases in the child population, a very large share of the program growth is due to family breakup and illegitimacy.
>
> Your committee is very deeply concerned that such a large number of families have not achieved independence and self-support, and is very greatly concerned over the rapidly increasing costs to the taxpayers. Moreover, your committee is aware that the growth in this program has received increasingly critical public attention.
>
> It is now 5 years since the enactment of the 1962 legislation, which allowed Federal financial participation in a wide range of services to AFDC families—services which your committee was informed and believed would help reverse these trends—and your committee has had an opportunity to assess its effect on the status of the AFDC program. While the goals set for the program in 1962 were essentially sound, those amendments have not had the results which those in the administration who sponsored the amendments predicted. The provisions for services in the 1962 amendments have been implemented by all the States, with varying emphasis from State to State as to which aspects receive the major attention. There have been some important and worthwhile developments stemming from this legislation. The number of staff working in the program has increased so that the caseworkers have

[18] N.Y. Times April 20, 1967.

smaller, more manageable caseloads. The volume of social services has increased and some constructive results have been reported. It is also obvious, however, that further and more definitive action is needed if the growth of the AFDC program is to be kept under control.[19]

A PROGRAM TO REDUCE THE ROLLS

The report noted that the committee had studied the above described problems very carefully, and as a result was recommending "several coordinated steps" which it expected, over time, to reverse the trend toward higher Federal financial commitments in the AFDC program. The overall plan, the committee said, "amounts to a new direction for AFDC legislation. The committee is recommending the enactment of a series of amendments to carry out its firm intent of reducing the AFDC rolls by restoring more families to employment and self-reliance, thus reducing the Federal financial involvement in the program." [20]

The committee bill contained extensive amendments designed to encourage States to reduce dependency by enforcing laws against desertion and nonsupport, and by providing family planning services to all recipients on a voluntary basis.

The main thrust of the Ways and Means amendments, however, was to reduce dependency through employment. A program or plan was to be developed for each employable welfare recipient to prepare and move him into a job. Extensive training and employment programs were to be established in each State, work requirements were to be enforced, and financial incentives for employment were to be provided.

HOUSE-SENATE DISAGREEMENT ON HOW TO SOLVE THE AFDC "PROBLEMS"

The Ways and Means-reported amendments were passed by the House without change. When the Senate Finance Committee reported its version of the amendments later in the year, it repeated without alteration the analysis in the House report on the nature of the AFDC "problems." It also adopted the overall approach of the House by including a combination of child support, family planning, and employment-related amendments. However, the package of employment-related amendments approved by the Finance Committee differed substantially from that of the House. The major areas of disagreement that emerged during the course of the congressional consideration of the amendments involved: (1) the structure and administration of the new employment program, (2) the application and enforcement of a work requirement, (3) the establishment of priorities for participation in the new program, and (4) the expansion of work incentives.

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[19] U.S. Congress. House. Committee on Ways and Means. Report on H.R. 12080, 90th Cong., 1st sess., Rept. No. 544, pp. 95–96.

[20] Ibid., p. 96.

STRUCTURE AND ADMINISTRATION OF THE EMPLOYMENT PROGRAM—CREATION OF WIN

The Administration's bill included a somewhat ambivalent approach to the question of who should administer its proposed work and training program. It gave the Department of Labor the responsibility of providing comprehensive employment services to persons referred to it by the State welfare departments. However, it also offered the Secretary relief in bearing this responsibility by providing that if he certified that it was not practicable for him to maintain and operate a program in a State or area, the State welfare agency would have to operate a community work and training program for welfare recipients. The State-run community work and training program was to be similar to the community work and training program authorized on a permissive basis in 1962, but with expanded Federal funding.

During hearings on the bill before the Ways and Means Committee, the State welfare agencies strongly criticized the Johnson Adminstration's approach to the administration of the program. Speaking for the National Council of State Public Welfare Administrators of the American Public Welfare Association, Wilbur Schmidt, Director of the Wisconsin State Department of Public Welfare, told the committee that the adminstrators had "serious reservations" about the proposal, commenting that it "would inevitably result in parallel administrative networks at all levels of government—federal, state and local—one for the welfare agencies and one for the Labor Department. Then coordinating machinery and procedures would have to be set up at all levels."[21]

Specifically, the administrators asked that the work and training responsibility be carried out through the existing community work and training authority, with additional Federal funding being made available. They asked that the welfare agencies be given sole responsibility for this single program at all levels. If that was not possible, the administrators said, they recommended that the welfare agencies be relieved of their responsibilities, financial as well as operational, for any work and training programs.

The Ways and Means Committee rejected the idea of divided responsibility. When the committee reported a clean bill (H.R. 12080), it required that community work and training programs be operated in each State under the authority of the welfare agency. Commenting in its report, the committee stated that experience under the existing community work and and training program, and under the work experience program (authorized under title V of the Economic Opportunity Act in 1964) "strongly support the concept of a work and training component in a public welfare program. Public welfare agencies have a particular knowledge of the characteristics and needs of assistance recipients and have been able to design programs to upgrade the work habits and skills of people with limited education and work experience." [22]

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[21] U.S. Congress. House. Committee on Ways and Means. Hearings on H.R. 5710, 90th Cong., 1st sess., Pt. 2, pp. 840–841.

By the time the amendments reached the Senate, however, the Department of Labor had begun a major effort to persuade the Finance Committee that Labor had the superior ability to administer employment programs. In hearings on the bill, Secretary of Labor Willard Wirtz affirmed that there was a need for more effective work and training programs to move welfare recipients "onto an independent, self-sufficient basis—and to break the inheritance and the habit of living on welfare," but, he added:

> * * * if the question is whether there should be another large-scale system—separate and apart from the present system—to meet the work and training needs of those "on welfare," the answer is that this would reduce any future suggestion of "coordination" and efficiency to utter hypocrisy. Adding just one word, the proposal as the bill emerged from the House is for the setting up of a work training, working community training manpower program to be administered through the State welfare agencies which would be as large as or larger than the present system. I hope I need not express or disavow any feelings of suggestion of bureaucratic aggrandizement. It is just a deep belief after 2 or 3 and now 4 years, almost 5 of being charged with lack of coordination of the present program, of feeling that to set up another one would let me in the future never come before this group or any other group in the Congress to promise any coordination. It would be impossible.
>
> To believe completely in the central idea of the proposed amendments—that the welfare recipient should be moved wherever possible out of that condition and into the mainstream of employment and self-sufficiency—requires the rejection as totally inconsistent with that purpose of the idea that his, or her, employment and training needs are to be met by welfare—instead of the established employment and training agencies.[23]

The Finance Committee accepted the Wirtz argument and decided to give the Department of Labor the responsibility for the new work and training programs. The committee bill specifically provided for terminating the optional community work and training programs. (The authority for CW&T had expired in June 1967, but programs were still operating one year later.) It required the Secretary of Labor to establish a new program, called a Work Incentive (WIN) program, in each political subdivision in which he determined there were a significant number of AFDC recipients.

The committee rationalized the decision to give the responsibility for the program to the Department of Labor as follows:

> The committee believes that the most effective program can be mounted, in the most rapid fashion, by placing the work incentive program under the Secretary of Labor.* * *

[23] U.S. Congress. Senate. Committee on Finance. Hearings on H.R. 12080. 90th Cong., 1st sess., Pt. 2, p. 801.

> By utilizing the full range of manpower services provided under legislative authorities available through the Department of Labor, it will be possible to put the program into effect a year earlier than the House bill contemplated. The Department of Labor informs the committee that this action should result in the training and employment of several hundred thousand more persons during the first 5 years. Moreover, the Department of Labor states that it can perform the required functions at a lower net cost, even though many more persons will be trained and employed.[24]

As the above quotation indicates, the Committee on Finance expected the Department of Labor to move quickly to engage very large numbers of welfare recipients in new and existing work and training programs. Emphasizing this point, the committee commented further:

> As in the House bill, work and training programs under the bill must be established in each political subdivision of a State in which the Secretary of Labor determines that there is a significant number of AFDC recipients who have attained age 16 years. In addition, however, the Secretary of Labor must use his best efforts to establish programs in all other political subdivisions or provide transportation to a neighboring area where there is a program. Consequently, it is anticipated that virtually all individuals who are referred to the Secretary of Labor by the welfare agencies will participate in the program.[25]

This administrative arrangement carried through in the conference agreement. Although not specified in the law, the conference report made clear that the Department of Labor's responsibility should be carried out through the State employment office system.

APPLICATION AND ENFORCEMENT OF A WORK REQUIREMENT

The question of who should be required to participate in the new program emerged as one of the thorniest for the Congress during its consideration of the legislation. The requirement for participation was stated somewhat vaguely in the Administration's bill, which called for the referral by State welfare agencies of "all appropriate individuals who have attained age 16 and are receiving" AFDC to a work and training program for purposes of preparing them for, or restoring them to, employability. The provision for a penalty for refusal to participate was stated obliquely, providing only that "aid will not be denied by reason of such referral, or by reason of the refusal" of an individual to perform work "if he has good reason for such refusal."

The Ways and Means Committee attempted to tighten this language, providing in its bill that State plans for AFDC must "include provisions to assure that all appropriate children and rela-

[24] U.S. Congress. Senate. Committee on Finance. Report on H.R. 12080, 90th Cong., 1st. sess., Rept. No. 744, p. 147.
[25] Ibid., p. 148.

tives receiving" AFDC, and all other appropriate individuals living in the same home whose needs are taken into account, register and periodically reregister with the public employment offices.

The committee expressed its intent more explicitly in the report, stating that all adults in AFDC families, as well as children over the age of 16 if they are not in school and found appropriate, "are expected to be considered for participation in this program."

Referring specifically to the participation of mothers, the report stated:

> Your committee intends that a proper evaluation be made of the situation of all mothers to ascertain the extent to which appropriate child care arrangements should be made available so the mother can go to work. Indeed, under the bill the States would be required to assure appropriate arrangements for the care and protection of children during the absence from the home of any relative performing work or receiving training. The committee recognizes that in some instances—where there are several small children, for example—the best plan for a family may be for the mother to stay at home. But even these cases would be reviewed regularly to see if the situation had changed to the point where training or work is appropriate for the mother.

The committee report noted further that "The Secretary of Health, Education, and Welfare could issue standards to protect mothers from undue hardships in work and training assignments."[26]

The Ways and Means bill also included an explicit penalty provision, providing for the denial of aid to any appropriate child or relative refusing without good cause to register, or refusing without good cause to accept employment in which he is able to engage and which is offered through the public employment offices or otherwise, or refusing without good cause to participate in a work or training program under the community work and training legislation, or undergo any other training for employment. If the refusal involved a parent or relative of an AFDC child, that parent or relative's needs would not be taken into account in determining the AFDC benefit amount, and if payments were made on behalf of the child (or children), the payments would be made to a representative payee. If a child refused and the child was the only child in the family receiving aid, the entire family would be denied aid.

By that time the bill reached the Senate, a firestorm of protest over the House-passed work requirement had broken out. The Administration, whose own bill allowed States to require the participation of mothers with children so long as the State welfare agency determined they were "appropriate" for referral, testified against the more explicit and broader House provision. Secretary of HEW, John Gardner, told the Finance Committee:

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[26] U.S. Congress. House. Committee on Ways and Means. Report on H.R. 12080. 90th Cong., 1st sess., Rept. No. 544, pp. 103–104.

> We do not believe that the compulsory feature in the House bill is appropriate. As I said, we believe that the voluntary features are ample to get to work all of the people that we could find jobs in the foreseeable future.
>
> My own belief is that the compulsory feature is not only undesirable, but probably unadministrable. When you get down to what is the question of good cause in a case of a mother with responsibilities for young children, it would be exceedingly difficult to make those judgments and I would doubt very much that it could be done wisely.[27]

George Meany, president of AFL–CIO, criticized the House for putting "its full energies behind what we regard as a seriously misguided effort to pare the welfare rolls by forcing mothers and older children not in school into what I can only describe as a very badly conceived work and training program." Commenting further he said:

> For some welfare recipients, training for adequately paying jobs for which they might qualify and which they might obtain could be the road out of poverty. But, clearly, this approach is not indicated for all welfare recipients. Some mothers can and should be trained for work. Others, because of either family conditions or personal limitations, would do much better to stay home and take care of their children. This is particularly true if adequate day care facilities are not available, and they are not in most communities. Neither can you set up adequate day care facilities with properly trained staff overnight. Having said this, I want to make it clear that we would support the provisions in H.R. 12080 for long-needed expansion of child welfare and day care facilities if they are not tied to the punitive measures in the bill.[28]

George Wiley of the Poverty Rights Action Center led a delegation of mothers representing the National Welfare Rights Organization in a vigorous protest against the compulsory work requirement. Mrs. Johnnie Tillman, chairman of the organization, told the committee:

> I cannot see this bill telling us mothers that we must put our children in adequate (sic?) day care centers, that we must leave our children regardless of what the circumstances are, that we must go to work because you say so. This I cannot see. I do not believe that we should be forced to work. I do not believe that we should be forced to take training if it is not meaningful. If you are going to give us something that we can hope for and advance in, possibilities to go on to higher salaries, then I would agree to it. But at this point, speaking for New York and across the Nation, I cannot agree to your plan.

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[27] U.S. Congress. Senate. Committee on Finance. Hearings on H.R. 12080. 90th Cong., 1st sess., Pt. 1, p. 388.

[28] Ibid., Pt. 2, pp. 1419–1420.

> Forcing parents out of the home will only cause more delinquency. When we are out of the home working, our children are picked up by the police. The first think (sic) they are going to say is, "Where are your parents?" When they say "My mother is working," they are going to go before the judge and find out why these children are out in the street and why they were picked up.* * *
>
> There are two recommendations that I would like to give you. Give us a training program, yes. Make sure at the end of the training program we have a job with a guaranteed wage, a minimum wage. If you cannot do that, give a guaranteed income on welfare above the Federal poverty level.* * *" [29]

The committee heard negative testimony on the compulsory work feature of the bill from spokesmen for a large number of other organizations, including the American Public Welfare Association, the American Civil Liberties Union, the Child Welfare League of America, the National Council of Jewish Women, the National Council of Negro Women, Planned Parenthood-World Population, a number of State chapters of the National Association of Social Workers, and many others.

Despite the negative testimony, the Finance Committee approved what it regarded as a strong work requirement for AFDC recipients. The bill required the prompt referral by the State welfare agency to the Secretary of Labor for participation in the new work incentive program of "each appropriate child and relative who has attained age 16 and is receiving" AFDC, each appropriate individual living in the same home who has attained age 16 and whose needs are taken into account, and any other person claiming aid who requests referral. However, the committee responded to the concerns that had been raised by defining certain categories of individuals who would not be subject to referral. Specifically, it excluded from the work requirement: (1) a person with illness or incapacity, or of advanced age; (2) a person living in an area remote from a WIN program; (3) a child attending school full time; (4) a person who must care for another member of the household who is ill or incapacitated; (5) a mother who is actually caring for one or more children of preschool age and whose presence in the home is necessary and in the best interests of such children; and (6) a person with respect to whom the State agency finds that participation would be not in the best interests of such children, relative, or individual and inconsistent with the objectives of such programs.

The committee approved a penalty provision that was similar to the House penalty, but provided greater protection for AFDC payments to children of parents who refused to participate by requiring, rather than allowing, the States to make protective payments on their behalf. It also modified the penalty to allow the denial of aid only after a 60-day counseling period.

These modifications did not satisfy opponents of the work requirement. Robert Kennedy, then senator from New York, led a floor fight to have the exclusions broadened further. Kennedy was

[29] Ibid., p. 1465.

particularly concerned about the work requirement for mothers, and his amendment provided for exempting a mother from work or training during hours a child under age 16 was not in school. The Senate approved the amendment, as well as a second Kennedy amendment to curtail the State's discretion under the sixth category of exemption (above) by requiring the Secretary of HEW to issue criteria for States to follow. A third Kennedy amendment modifying the penalty provision was also adopted.

House conferees accepted the Senate modifications only in part. The conference committee agreed to follow the Senate language for referral, and to specify categories of recipients for exemption. However, it rejected the Kennedy floor amendments, and also rejected the Finance Committee provision to exempt a mother caring for a preschool child (5 above).

ESTABLISHMENT OF PRIORITIES FOR PARTICIPATION IN WIN

Both the Administration and the House bills authorized a variety of work and training activities, but did not address the issue of who should participate in any particular kind of activity. The Committee on Finance took a different approach. It required the Secretary of Labor to follow a specified set of priorities in assigning individuals to work or training activities. According to the committee report, the Secretary was always to point an individual toward regular unsubsidized employment, but to provide him with some kind of work or training experience whatever his present level of skill might be. The committee report stated:

> The Secretary of Labor would use a number of procedures to assist persons referred to him by the welfare agencies to become self-sufficient through employment. Although the ultimate goal will be to move as many persons as possible into regular employment, the Secretary would have to establish alternative programs to meet the needs of recipients for whom this approach is not immediately feasible.[30]

The committee bill required the Department of Labor to inventory the work history of each person in order to determine his employment potential. Under the first priority, those with work skills needed in the locality would be referred to potential employers. As many as possible would be placed into regular employment. Others could be placed in on-the-job training.

Under the second priority, individuals needing training would be assigned to the training suitable for them and for which jobs were available in the area. The type of training could include basic education, teaching of skills in a classroom setting, employment skills, work experience, and any other training determined to be useful.

Under the third priority, the Department of Labor was required to enter into agreements with public agencies and private nonprofit agencies for special work projects to employ those for whom jobs in the regular economy could not be found at the time and for

[30] U.S. Congress. Senate. Committee on Finance. Report on H.R. 12080. 90th Cong., 1st sess. Rept. No. 744, pp. 148–149.

whom training was not appropriate. Participants in special work projects were to receive a wage from their employer instead of their regular assistance payment.

In addition to using these three priority mechanisms, the Secretary was to provide "follow-up" services if needed, and to consult with the Secretary of HEW to assure coordination with needed supportive services, such as day care.

The Secretary of Labor was also authorized under the committee bill to assist participants to relocate when necessary, by providing payments to cover the reasonable cost of transportation for the family and its household goods, and a reasonable relocation allowance.

All of the above provisions of the Senate bill were agreed to by the House-Senate conference committee.

EXPANSION OF WORK INCENTIVES

As noted earlier, amendments in 1962 required States to take into account any expenses reasonably attributable to the earning of income when they determined a family's AFDC benefits (both for eligibility and benefit amount). In addition, States were specifically allowed to disregard all or any portion of earned or unearned income that was set aside for future identifiable needs of a dependent child. The 1965 amendments added another provision for the disregard of earnings by allowing States to disregard $50 a month in earnings of a dependent child, with a maximum disregard per family of $150.

In its 1967 package of welfare amendments, the Johnson Administration proposed an expansion of the 1965 amendment for the disregard of a child's earnings, to allow States, in addition, to disregard $50 in earnings of a parent. (The Administration testified that 21 States were using the authority given them in 1965 to disregard certain earnings of children.) This disregard was to be optional with the States for a two-year period. Beginning in July 1969, however, the provision as it related to both a child's and a relative's earnings would be mandatory.

The Ways and Means Committee rejected the Administration's proposal, voting instead to further expand the earnings disregard provision, requiring States to disregard the first $30 plus one-third of additional earnings for an AFDC recipient who went to work.

The committee report defended the change as follows:

> A key element in any program for work and training for assistance recipients is an incentive for people to take employment. If all the earnings of a needy person are deducted from his assistance payment, he has no gain for his effort.* * * There is no doubt, in the opinion of your committee, that the number who take work can be greatly increased if, in conjunction with the improved program of work and training and the emphasis on a family plan for employment, both of which are provided for under the bill,

there may be added to title IV some specific incentives for adults to work.[31]

The committee report pointed out that the provision was deliberately written to apply only to persons who were already receiving AFDC, not to those who were applying. "One possible result of this provision," noted the committee, "is that one family, who started out below assistance levels, will have some grant payable at certain earnings levels because of the exemption of later earnings while another family which already had the same earnings will receive no grant. Your committee appreciates the objections to this type of situation which can be made; but the alternative would have increased the costs of the proposal by about $160 million a year by placing people on the AFDC rolls who now have earnings in excess of their need for public assistance as determined under their State plan."

"In short," the committee added, "the various provisions included in your committee's bill are designed to get people off AFDC rolls, not put them on."[32]

The Finance Committee agreed to the approach of the House committee, but raised the amount to be disregarded to $50 a month plus one-half of additional earnings. In describing the disregard provision, including the limitation on its applicability to applicants for assistance, the committee repeated the rationale stated in the Ways and Means report.

House-Senate conferees agreed to the lower dollar amounts specified in the House bill.

FEDERAL FUNDING FOR EMPLOYMENT AND SUPPORTIVE SERVICES

As finally passed, the law provided for the payment by the Federal Government of 80 percent of the cost of employment and training activities under the new program, and for a payment of 20 percent in cash or kind by the States. For supportive services, the Federal matching rate was increased to 85 percent for the period January 1968-July 1969, in order to encourage the States to implement rapidly the services program. After the initial implementation period, Federal matching was to revert to the regular 75 precent rate for social services.

As an integral part of the work and training program, both committees required States to provide services needed by recipients to enable them to go to work. Particular emphasis was placed on day care. The Ways and Means Committee report included an estimate for anticipated Federal day care spending of $470 million in 1972. The estimate for day care given in the Finance Committee report was for $400 million in 1972. Day care provided under the bill was required to meet standards estabished by the Children's Bureau.

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[31] U.S. Congress. House. Committee on Ways and Means. Report on H.R. 12080. 90th Cong., 1st sess., Rept. No. 544, p. 106.

[32] Ibid., p. 107.

RELATIONSHIP OF THE WIN AND WORK EXPERIENCE PROGRAMS

With respect to the role of the new work incentive program *vis a vis* other programs, the Committee on Finance commented in its report:

> * * * it is the understanding of the committee that the administration is going to phase out the work experience and training program under title V of the Economic Opportunity Act. Such action appears highly desirable inasmuch as there is much duplication between that temporary program and the permanent work training programs provided by this committee, and the Committee on Ways and Means, under the Social Security Act.[33]

A "FREEZE" IN FEDERAL MATCHING FOR AFDC

Emphasizing the intent of the amendments to halt the growth in the AFDC rolls, the Ways and Means bill included an amendment to limit Federal financing for the category of recipients receiving AFDC on the basis of the absence of the parent from the home to the proportion of each State's total child population that was receiving assistance on that basis at the time of the bill's consideration.

Mr. Mills, in describing the provision on the House floor, justified it on the basis that it would give the States "an additional incentive to make effective use of the constructive programs which the bill would establish. Moreover," he argued, "this limitation * * * will not prevent any deserving family from receiving aid payments. The States would not be free to keep any family off the rolls to keep within this limitation because there is a requirement in the law that requires equal treatment of recipients and uniform administration of a program within a State.* * * The purpose of this limitation is to assure effective State action in carrying out the new constructive provisions." [34]

This so-called "freeze" amendment was rejected by the Finance Committee. The rationale for refusing to accept the House amendment was stated by Senator Long during the Senate floor debate:

> Because of the constructive provisions of the bill, particularly those relating to the work-incentive program, family planning, and parental support, the committee has stricken from the House bill the provision which would impose a limitation, for Federal financial participation purposes, on the number of children whose eligibility is based upon the absence from the home of a parent. The Committee believes that these other provisions will do what the House had in mind without running the risk of depriving needy children of the assistance they require.[35]

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[33] U.S. Congress. Senate. Committee on Finance. Report on H.R. 12080. 90th Cong., 1st sess., Rept. No. 744, p. 153.
[34] Congressional Record. House. Aug. 17, 1967, p. H10670.
[35] Congressional Record. Senate. Nov. 15, 1967., p. S16505.

The "freeze" was agreed to by the conference committee and enacted into law. However, subsequent legislation first postponed, and later repealed, the provision.

"UP" PROGRAM LIMITED TO FATHERS; REVISED PROGRAM MADE PERMANENT

Both committees also approved amendments to revise and make permanent the optional program for assistance to families found to be needy because of a parent's unemployment. Under the new provision, States could no longer provide assistance on the basis of the mother's unemployment. The program was reestablished as a program for unemployed fathers only, becoming known as AFDC-UF.* The committee bills also provided for a Federal definition of the term "unemployment," to limit and make more consistent the operation of the program in the various States. The House bill added a requirement limiting the program to fathers with a recent and substantial work history. The Finance Committee deleted this provision. However, the conferees approved the House requirement.

The rationale for the changes was stated in the Ways and Means report as follows:

> A major characteristic of the law is the authority left to the States to define "unemployment." Your committee believes that this has worked to the detriment of the program because of the wide variation in the definitions used by the States. In some instances, the definitions have been very narrow so that only a few people have have helped. In other States, the definitions have gone beyond anything that the Congress originally envisioned. Your committee's bill is designed to correct this situation and to make other improvements in the program.
>
> The overall objective of the amendments proposed by the committee is to authorize a Federal definition of unemployment by the Secretary (but within certain limits set forth in the legislation), to tie the program more closely to the work and training program authorized by the bill, and to protect only the children of unemployed fathers who have had a recent attachment to the work force. With these changes, the committee recommends that the program become a permanent part of the Social Security Act, still on an optional basis with the States.
>
> This program was originally conceived as one to provide aid for the children of unemployed fathers. However, some States make families in which the father is working but the mother is unemployed eligible. The bill would not allow such situations. Under the bill, the program could apply only to the children of unemployed fathers. Moreover, it is the intent of your committee to exclude from the program those fathers who have not been in the labor

*A Supreme Court decision subsequently struck down this limitation of the program to fathers on the basis that it was discriminatory. The law has since been amended to reflect the Court's decision, and the program is, once again, a program for unemployed parents.

force, or whose attachment to the labor force has been casual.[36]

DEBATE ON THE CONFERENCE REPORT

The conference report containing the very substantial changes described above proved to be controversial on the floor of both Houses. The new work requirements, in particular, generated spirited debate. Critics labeled them "coercive" and "punitive." Senator Robert Kennedy, who led the fight against the provisions in the Senate floor debate over the conference report, stated:

> I can well understand what motivated the conference committee in its action. It was concerned that the welfare system as it exists today has failed to enable its recipients to obtain jobs and end their dependency. I share that concern. It was concerned at the recent rise in the number of children and mothers on aid to dependent children. I share that concern. It therefore sought to create a system which would train children and mothers on welfare, provide day care, and establish incentives to work. I, too, believe such a system is needed.
>
> Indeed, I believe that we will never succeed in restoring dignity and promise to the lives of people whose frustration exploded into violence in the cities this summer until we develop a system which provides jobs—enough jobs and good jobs.
>
> We must, then, work out a system to provide jobs. But I do not believe that the approach adopted in the conference bill will provide these jobs. The fact is, as the alarming unemployment and underemployment figures I have mentioned indicate, that there are not enough jobs available at the moment. We must find them, but in the meantime, it will not do to force people into training programs for jobs that are not there.
>
> This is the basic problem which we must look to. For this problem welfare is neither the cause nor the remedy. But welfare has its role: helping those in need—and the House bill will hinder it in fulfilling that role. Indeed, instead of helping at all, it almost appears intended to punish the poor. And punish it will, particularly in areas of the country where welfare authorities have done their best to demean and degrade the recipient of welfare even under existing law.[37]

When Chairman of Ways and Means Wilbur Mills described the conference report on the floor of the House, he vigorously defended the work-related provisions in the bill:

> Let us look at what they fuss about. My goodness alive. You would think that the American way of life was built on a dole system, to hear some people talk. We should take

[36] U.S. Congress. House. Committee on Ways and Means. Report on H.R. 12080. 90th Cong., 1st sess., Rept. No. 544, p. 108.
[37] Congressional Record. Senate. Dec. 14, 1967, p. S18754.

care of people in need, yes. That is the American way of life, but when you confine the matter of taking care of people in need to the mere handout of the dollar, you have not done one thing to help that person in need, because the minute the dollar is gone, he is still that same person.

Let me tell you what it takes. If a man or a woman has no training, has no capacity to work, how do you help them? How do you help them? You spend enough, whatever is required, to see to it that that fellow gets training, to see to it that that woman gets training, that they get jobs. Is that not the way we do things in this country?

That is what we have in this bill. There has been more misinformation spread across the country, I think, by people who do not want to do a darned thing except to hand out a dollar so long as it comes from the Federal Government. We are saying the States must change that. Oh, yes, they are going to change it. But they are not going to be cruel in the process. They are not going to take advantage of anyone who should not be subjected to training or to work.

Yes, it is coercive—but only when the State decides that a person is an appropriate candidate for training and work. There is nothing in here that says a State has to take a mother away from a month-old child—and, of course, they would not—and send her off to be trained.

But let me ask, Mr. Speaker, when is the best time for a person to be trained for a job and to be given employment or offered employment? Is it while the child is under 18 years old and the mother may be 25 or 30 or 35 years of age? Or is it after that poor soul has gotten to be 45 or 50 years of age, after being on welfare all those years and after the minor child, the last in her household, gets to be 18, and she is no longer eligible for AFDC payments? What chance does a woman have at that age of being trained and accepted in employment, when she has never had any training or connection with the work force?

These measures are not just for economy, because they do not bring economy in the short run. We are asking the American Congress to go along with us and spend more money on these people, and I will tell how we are going to do it. We cannot train them to find jobs through the employment security people at the State level without a cost in money. We cannot let a mother take training without providing a way to care for the child.

So what do we do? We require States to provide day care. What else do we do? We say to this woman, "While you are being trained, we will pay you more than your welfare payments, and when the State puts you to work, we will not penalize you dollar for dollar in what you may make and take that out of your welfare check." What do we say? We say we are going to completely disregard the first $30 they make and we will disregard all they make above that $30 until they get to be self-sustaining.

> Do not for 1 minute think that these States will not use many, many of these mothers on AFDC to actually work in connection with these day care centers taking care of their own children and the children of the neighbors who know them. There is nothing wrong with this, I say.
>
> I have been in this House of Representatives for almost 29 years. I have never felt any stronger about any proposition in my life. If there is any Member of this House who can be criticized or praised—and I am never praised for it in my country, I am always criticized—for having brought, as the author, because I am chairman of a committee, more legislation to help in the field of welfare, more legislation to help with the problems of medical expenses, more legislation to provide benefit increases that I, I do not know who it would be.
>
> Maybe so. I am not doing this out of any feeling against anybody. I am doing it as an individual member of the Ways and Means Committee, and I think the committee is doing it because the committee feels that in the overall, in the long run, if 100,000 or 150,000 of these people in the course of a year can be made self-supporting, we are doing for them and for the American people that which should be done. We are not striking at anybody, but there is a desire to help.[38]

Despite the objections of critics, the conference report was approved by both the House and the Senate without amendment.

EARLY PROBLEMS OF IMPLEMENTING WIN

The 1967 law required the Secretary of Labor to submit an annual report on the new Work Incentive Program. The first report, dated June 1970, cited a number of problems in getting the program underway—legal challenges, failure of States to appropriate the required matching funds, and problems of the welfare and employment security offices in coordinating their social services and work-related functions.

In addition, the Labor Department complained, the responsibility of welfare agencies for providing child care for working mothers had been largely unmet, primarily because of the requirement for State matching funds, and because no Federal funds for the acquisition or construction of facilities were provided. The Labor Department also complained about the lack of medical resources to correct medical problems that were barriers to employment. Other problems cited related to the complexity of the special work project funding requirements.

G. Welfare Reform or Welfare Expansion?—The Nixon Era

THE PRESIDENT'S COMMISSION ON INCOME MAINTENANCE PROGRAMS

Although in 1967 the Congress had enacted a major package of amendments that its framers hoped, and expected, would establish

[38] Congressional Record, House, Dec. 13, 1967, p. H16856.

a firm new direction for AFDC policy, other individuals and groups were considering very different strategies for change. Numerous articles and studies began to appear, analyzing, and sometimes advocating, a negative income tax or guaranteed income program as a replacement for the existing welfare programs.

In January 1968, the month following passage by the Congress of the 1967 amendments, Lyndon Johnson appointed a new presidential commission, called the President's Commission on Income Maintenance Programs, to study and propose revisions of the existing income maintenance programs.[39] Its final report, issued in November 1969, was entitled *Poverty Amid Plenty; The American Paradox*. The report concluded "that there must be a larger role for cash grants in fighting proverty than we have acknowledged in the past."

It stated further:

> We have reviewed many proposals for new programs and for reforms of existing programs. We have concluded that a new income maintenance program is needed, a program which directly increases the incomes of the poor.

The main recommendation was for the creation of a universal income supplement program financed and administered by the Federal government, making cash payments to all members of the population with income needs. The report recommended the end of Federal funding of the existing public assistance programs, including AFDC.

The Commission also recommended consolidation and improvement of existing manpower and training programs, commenting that "in the long run they may reduce the need for transfer programs." [40]

The main thrust of the report, however, was on the need for a new income program. It did not recommend a work requirement for participants in that program.

The commission report included the following analysis of the effect of its proposed program on labor force participation:

> Any program which provides income without work may have some effect on labor force participation. Some secondary and part-time workers as well as primary workers may withdraw from the labor force or reduce their hours worked. However, we do not believe that work disincentive effects of the proposed program would be serious. The level of income provided is low, and we do not believe that the poor are anxious to receive less income rather than more. The proposed program would always result in significantly higher income for those who work than for those who do not. We feel that reduced work effort is likely to be concentrated among secondary family workers, female family heads, and the elderly, rather than among nonaged male

[39] The Commission was commonly referred to as the Heineman Commission, after its chairman, Ben Heineman, president of Northwest Industries, Inc.

[40] Poverty Amid Plenty: The American Paradox. The Report of the President's Commission on Income Maintenance Programs. November 1969, pp. 7-9.

family heads. Thus, reduced work effort may be desirable for some of those affected.

The focus on the possible work disincentive effects of transfer programs has in the past been used to avoid serious consideration of such programs. It has led policymakers to overlook the crippling effects of absolute poverty. Men and women without income cannot afford to take risks even for a day; they cannot take advantage of opportunities for future improvement which require a current investment of time and money. We believe that only when the poor are assured a minimum stable income can the other mechanisms in our fight against poverty—education, training, health, and employment—begin to function adequately.[41]

NIXON PROPOSES THE FAMILY ASSISTANCE PLAN

At the same time that the presidential commission appointed by Johnson was conducting its study of income maintenance programs, the new Nixon Administration began its own initiatives. Nixon told the Congress in his August 11, 1969 message on welfare reform that "Since this administration took office, members of the Urban Affairs Council, including officials of the Department of Health, Education, and Welfare, the Department of Labor, the Office of Economic Opportunity, the Bureau of the Budget, and other key advisers have been working to develop a coherent fresh approach to welfare, manpower, training, and revenue sharing."

Johnson's commission recommended a universal income maintenance program for *all* poor individuals and families. The Nixon Administration proposed a more limited approach: one program to assure minimum income levels for the aged, blind and disabled, and another program to "assure an income foundation" (as Nixon described it in his message to the Congress) for all parents unable to adequately support themselves and their children. The proposal did not recommend benefits for single individuals and childless couples who did not otherwise qualify as aged, blind, or disabled.

The Nixon message emphasized the reliance of the proposed new family program on the principle of cash incentives, "a new approach that will make it more attractive to go to work than to go on welfare * * *."

The President's message continued:

> *I propose that the Federal Government pay a basic income to those American families who cannot care for themselves in whichever State they live.*
>
> I propose that dependent families receiving such income be given good reason to go to work *by making the first $60 a month they earn completely their own, with no deduction from their benefits.*
>
> I propose that *we make available an addition to the incomes of the "working poor,"* to encourage them to go on working and to eliminate the possibility of making more from welfare than from wages.

[41] Ibid., p. 8.

> I propose that these payments be made upon certification of income, with demeaning and costly investigations replaced by simplified reviews and spot checks and with *no eligibility requirement that the household be without a father.* That present requirement in many States has the effect of breaking up families and contributes to delinquency and violence.

Unlike Johnson's Commission, however, the Nixon Administration was unwilling to rely upon incentives alone. The message to the Congress also outlined requirements for work, although with some qualifications:

> I propose that all employable persons who choose to accept these payments be required to register for work or job training and *be required to accept that work or training,* provided suitable jobs are available either locally or if transportation is provided. Adequate and convenient day care would be provided children wherever necessary to enable a parent to train or work. The only exception to this work requirement would be mothers of preschool children.

Finally, the President advocated job training and day care services:

> I propose *a major expansion of job training and day care facilities,* so that current welfare recipients able to work can be set on the road to self-reliance.
>
> • • • • •
>
> This would be total welfare reform—the transformation of a system frozen in failure and frustration into a system that would work and would encourage people to work.

The Nixon welfare reform proposal, called the Family Assistance Plan (FAP), provided for the repeal of the WIN program with its precise formulations of priorities for participation in employment and training programs. Instead, the proposed legislation gave the Secretary of Labor broad discretion in providing services and training. The types of services and training that were authorized were generally the same as those provided under WIN, including (as listed in the bill) "counseling, testing, institutional and on-the-job training, work experience, up-grading, program orientation, relocation assistance, (including grants, loans, and the furnishing of such services as will aid an involuntarily unemployed individual to relocate in an area where he may obtain suitable employment), incentives to public or private employers to hire and train these persons (including reimbursement for a limited period when an employee may not be fully productive), special work projects, job development, coaching, job placement and follow up services required to assist in securing and retaining employment and opportunities for advancement."

The bill authorized the Secretary of Labor to pay for 90 percent of the cost of these listed activities. In addition, the Secretary of HEW was authorized to make grants to public or nonprofit private

agencies for up to 90 percent of the cost of child care and related services.

The Nixon Administration estimated the cost of its total package of amendments at $4.0 billion for the first year of the program, in addition to the current level of Federal spending for public assistance of $4.20 billion ($400 million of the total was for additional cash benefits to the aged, blind and disabled).

CRITICAL QUESTIONING BY THE WAYS AND MEANS COMMITTEE

When hearings began in the Ways and Means Committee in October, the Administration came in for critical questioning from some members who were skeptical that the plan would work as it had been described.

Congressman John Byrnes, the ranking Republican on the Committee, raised the subject of the problem of correlating the cash assistance and work and training components of the bill. Addressing John Veneman, Under Secretary of HEW, he said:

> I really did not get from the Secretary's statement this morning the correlation that you intend to develop between the family assistance program and your program of training for work and putting people to work. The real effect, it seems to me, is to develop further beyond what we tried to develop in a starting sense in the 1967 act—the movement of welfare people into the economic stream rather that staying in the welfare stream as a way of life.
>
> The one thing that I am concerned about here is your timing, and the preparation that will be made so that you do have the various work training programs and job availabilities for these people at the same time that the new benefit level goes in. I am very fearful that if the increasing benefit level that you are proposing goes in, while the work training and child-care centers, and attempts to create job opportunities are something down the road, we will always be waiting to catch up, and never catch up, so that you will not have the direct relationship which I think is essential, and I gathered from the Secretary's statement was an integral part of this family assistance.

The dialogue continued:

> Mr. VENEMAN. It is almost the key part.
>
> Mr. BYRNES. A key aspect, and the two would never come together unless you are prepared to provide the job training, provide the day care, provide the jobs.
>
> Now give us a little bit about how that works * * *.
>
> Mr. VENEMAN. As far as the timing of the job training concept is concerned, it is linked to the present bill, so that the basic elements of it—the requirements for registration and so forth—would go into effect when the bill went into effect.
>
> Mr. BYRNES. But you have to have more than that, if there is a law going into effect, because you have to have the facilities.

Mr. VENEMAN. The Manpower Act would go into effect ahead of time, presumably upon enactment. There would be several of the elements in that act.

I think that your committee in the 1967 amendments has really set the stage. We went through the trial period in the WIN program, and I think that program has set the mechanics up for a good share of what we are attempting to do in this particular measure.* * *[42]

Mr. Byrnes later raised the question of whether the new program would be more effective than the WIN program in moving recipients into jobs:

In 1967, we amended Federal law to require that AFDC recipients, if they are trainable and their home situation permits, be placed in training. I don't think you have done it.

You have made a start, but you must concede that there has been not a full attempt to completely implement our objectives?

* * * * *

I think there has been a failure at two points. One is at the welfare worker level, the person who is looking after this family and administering the AFDC program. They have not been awfully enthusiastic in some cases and in some areas, about getting these people into training and good work and into jobs in the economic stream.

You have also some problems as far as the employment service focusing on these people as a real objective, and getting them into the job areas, or into the training programs.

But my point then is: What assurance do we have that these two factors are going to be improved when we move into even a higher level of payment under the family assistance program?

That is the assurance that I think I want, and I think that is the assurance the taxpayers want.

It is not just dollars, as has been suggested by the gentlelady from Michigan. [Martha Griffiths, D.-Michigan] I agree with her. I think in the past, and that is one of the reasons we are in a problem with our welfare program today, it has been a matter of handing out checks, rather than seeing what we can do to get these people into the degree of self-sufficiency that we could.

I think you have some fine formulas, but I have seen too much of the stuff that comes in theories, and then, if there is a little resistance here or there, "Well, what the heck. We will still pass out the check."

I am lecturing to you probably more than I am asking you a question, but I want to be reassured after this little

[42] U.S. Congress. House. Committee on Ways and Means. Hearing on the Subject of Social Security and Welfare Proposals. 91st Cong., 1st sess., Pt. 1, pp. 212-213.

> lecture that maybe there is something here that you are going to focus in on this problem. * * *[43]

Congressman Al Ullman, later to become chairman of the committee but at that time third ranking Democrat behind the chairman, was sharply critical of the welfare proposal during the committee's hearings. Addressing Secretary of HEW Robert Finch, Mr. Ullman said:

> With respect to the welfare recommendations, Mr. Secretary, as one who sat through longer hearings 2 years ago on this welfare problem, in which the committee desperately tried to find some answers to this critical problem of mushrooming welfare, and also as a member of the Advisory Commission on Intergovernmental Relations, which has been tackling this problem and attempting to find some answers, I want to tell you that as an individual I am shocked, frankly, almost to the point of being speechless, by the recommendations that you have made.
>
> When I first read about them in the paper, I thought, certainly by the time you got to the committee we would have this spelled out and clarified to the point where it would make some real sense. Had you just recommended federalizing the categories of welfare—AFDC, and aged, and blind, and disabled—I would not probably have been shocked. Or if you had taken the other approach and gone all the way toward a negative income tax, eliminating all of the machinery that is involved in the welfare program that probably, in my judgment, could have been rationalized and possibly defended.
>
> But what you are doing as far as I can see—and this is why you are going to have to be back here for a long time, to educate me and, I am sure, some of the members of the committee on what you are really trying to do—what it looks like to me is that you are recommending that we not only federalize the basic welfare provisions, including general welfare, but continuing all the present State administrative programs and add some new ones on a liberalized basis. It looks to me like you are opening up the Treasury of the United States in a way it has never been opened up.

Mr. Ullman criticized the proposal not only for the fact that it would add "more than 10 million new people" to the welfare rolls, but also because "you are also opening up the Treasury to the States in a new sharing program that includes a 90-percent cost for State-instituted child-care centers and all the other administrative machinery you are recommending." [44]

Martha Griffiths focussed her questioning on the subject of employment of mothers. Addressing Secretary Finch, she said:

> Let me point out to you that far from Mr. Ullman's viewpoint, my viewpoint is that all you have added to this program is money and I believe that money is never going

[43] Ibid., pp. 216–217.
[44] Ibid., pp. 160–161.

> to do it. You are going to have to do something far different if you are ever going to cure the problem of welfare. I just think you are not looking at it from the right standpoint. You are not reaching the cases that have to be reached. If you are ever to break this terrible pattern of life you are going to have to do something far more than add money.[45]

Specifically, with respect to working poor families, she asked whether the wives would be allowed to volunteer for participation in the work and training program.

Jerome Rosow, Assistant Secretary for Policy Development and Research at the Department of Labor, assured her that the mothers could volunteer, but he made a distinction as to the child care services that would be made available to working mothers. According to Mr. Rosow, child care services would be made available to the children of female-headed families. However, with respect to families in which the father was present, no such services would be provided. Mr. Rosow commented: "We believe that since the father is at work full time, the mother should stay at home and take care of those children."

Mrs. Griffiths, referring to poor families in which both parents are working, responded: "Then you will have the working poor where both the husband and wife work, and you can explain to that wife that she is working so she can help the fortunate other woman to stay at home. You are going to have to explain that.[46]

Returning again to the need to provide employment and training for mothers, Mrs. Griffiths said:

> Well, let me return again to that problem. If you don't care of that problem your whole welfare program is going to be an absolute failure.
>
> * * * * *
>
> This is the failure of the present welfare program.
>
> * * * * *

If you don't have a day care center for the 14-, 15-, 16-year-old mother and a requirement that she go to school or seek training, you are going to have an additional increase in these births. There isn't any question about it. This is the way it has worked and this is the way it is going to work. This is what has been happening for the last 30 years. When are we going to look at what has really happened in place of what men think might happen? [47]

FAP MOVES THROUGH THE HOUSE OF REPRESENTATIVES

Despite the initial critical questioning, the Ways and Means Committee approved the Family Assistance Plan with relatively few structural changes, and both Mr. Mills, chairman of the committee, and Mr. Byrnes, the ranking Republican, joined forces in seeking House approval.

Mr. Mills presented a vigorous defense of the welfare amendments when he appeared before the Rules Committee. He ex-

[45] Ibid., p. 168.
[46] Ibid., p. 329.
[47] Ibid., Pt. 2, p. 370.

pressed his disappointment with the results of the prior efforts by the Ways and Means Committee to improve the AFDC program, and emphasized the requirement in the new bill that recipients must accept work or training.

> * * * This is a Federal program. Let me tell you why. In 1962 we started with what we thought was an excellent idea, of not requiring but offering the State the opportunity of referring people on welfare that the State thought were able bodied, capable of accepting training under the community work and training program wherein we would participate with the States in the cost. That didn't work. We were quite disappointed. The present Senator from Connecticut, who was then Secretary of HEW, thought it would. I thought it would. We tried again in 1967. We required the States to do it. But they still varied all over the lot in the way they reacted to it. In the State of California, for instance, about 30 percent of the people on AFDC were referred for training but in the State of New York, after they once started, only about 3½ percent were referred. Why, we couldn't understand. It didn't work the way we wanted it to. Not enough people were being trained. Not enough people were being removed from the welfare rolls into gainful employment. So what are we doing now? We are taking over this program and we are putting the onus on the individual. You don't get one penny out of this program until you cooperate by going to that employment office, asking for a job, and, if no job is available, accepting the training which that office will make available to you.
>
> If the individual refuses or does not complete the training program, then he is no longer eligible for funds under this program.
>
> A lot of this is not understood clearly. The organization that I referred to which says it speaks for business—and maybe it does but not all of it at least—took a position, I believe 2 weeks before we voted this bill in opposition to the bill? The organization says it's opposed to any program that endeavors to help the so-called working poor. I want to point out the weakness of the position to you, Mr. Chairman. Where do you get your increases in numbers on AFDC? You get them from the working poor. In New York City people have left jobs at Macy's and other places, according to the director of the program in New York City who testified before our committee, and have gone on welfare because welfare for a family of four or five in New York City pays more than that lady can make working in a department store as a saleslady. Of course, this money that she gets from the New York City Welfare Department is not subject to taxes. But that which she earns in Macy's is subject to taxes. I said where do these increasing numbers come from? They come from the working poor.
>
> If we are going to avoid an increase in the numbers on the AFDC, I think it's essential that we address ourselves to the problems of the working poor and their need for

having their abilities upgraded. That is what we have them in this program for. If they are not put on it, you are going to have most of them on welfare in time.

• • • • •

What I think we have done here in this whole program is to really carry forward with improvements in what we started in 1962. I think this is a far more effective way to do it than we adopted in 1962 or in 1967. And I congratulate the administration, frankly, on coming up with this idea.[48]

THE FINANCE COMMITTEE PROPOSES ITS OWN PROGRAM FOR WELFARE REFORM

The House passed the Family Assistance Act of 1970 (H.R. 16311) in April 1970. The Committee on Finance began hearings on the bill later that month. The hearings began on a strongly negative note. Among other criticisms, the bill was challenged by some members of the committee as being defective in design in that the provisions for work incentives were not constructed so as to encourage welfare recipients to choose work over welfare. After only three days of harsh questioning by the committee, the Administration withdrew the bill for revision.

The Administration sent a revised bill to the committee in June. The revised bill failed to soften the views of the Finance Committee members, and after additional hearings, the committee voted to reject the Administration's revision. It then rejected a proposal by Senator Abraham Ribicoff (D.-Conn.) that called for preliminary testing of the Family Assistance Plan in selected areas of the country, and for full national implementation on January 1, 1972. The committee agreed instead to allow the plan to be tested on a limited basis, but without a fixed date for national implementation.

Fighting to save the bill, the Administration presented another revision on October 13. The committee again refused to approve the plan. Instead, on December 11, 1970, it ordered reported a bill that differed dramatically from the Administration's bill. The committee's bill (1) called for testing of various approaches to reform of the welfare system; (2) provided for a major expansion of the role of the Federal government in enforcement of child support obligations; (3) provided 100 percent Federal funding for family planning services to past, present, and potential welfare recipients; (4) included a number of amendments to the AFDC program that it described as "clarifying" congressional intent with respect to recent court decisions; (5) curbed the authority of the Secretary of Health, Education, and Welfare to issue regulations (with the committee complaining that the Department of HEW "has imposed requirements on the States which go far beyond the statute itself and in some cases bear no relationship to the law"); (6) established a new Federal Child Care Corporation "with the basic goal of making child care services available throughout the Nation to the extent

[48] U.S. Congress. House. Committee on Rules. Hearings on H.R. 16311. 91st Cong., 2nd sess., pp. 106-107.

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they are needed"; and (7) made substantial changes in the funding and operation of the Work Incentive (WIN) program.

In rejecting FAP and calling instead for a testing of welfare reform alternatives, the committee observed:

> Over the years, the Congress has enacted a wide range of social welfare programs designed to assure that all Americans, including the needy and the unfortunate, will have the opportunity to obtain at least the basic necessities for a life of decency and dignity. Some of these programs have proven successful. Too often, however, such programs have been enacted on the basis of estimates which later proved to be far too low with respect to costs and far too high with respect to effectiveness.
>
> The committee feels that, in the light of this sad experience, this is not the time to adopt a major new welfare program which has the potential of costing the American taxpayer vast sums of money until such a program and alternative approaches have been thoroughly examined on an experimental basis. Accordingly, while the committee agrees with the generally accepted sentiment that the problems of the present program of aid to families with dependent children are reaching overwhelming proportions, it cannot agree that the present system is so bad that any untested alternative would be preferable merely because it is new or different. The committee bill takes the more responsible approach of adopting a number of changes in the present welfare system designed to correct its worst and most obvious defects, while at the same time providing for the testing of possible alternatives to the present system.[49]

The committee bill authorized the Secretary of HEW to conduct up to four tests of possible alternatives to the AFDC program. At least one was required to be a "family assistance" type proposal, and at least one would have to be a "workfare" type proposal, along lines defined by the committee. Under the "workfare" proposal, a presumption would be made that certain groups, including families with preschool-age children where the father was dead, absent, or disabled, were not employable. These families would be given cash assistance. All other families would not be eligible for cash assistance, but would be eligible for a "guaranteed work opportunity," with training and other preparation for employment where necessary.

THE COMMITTEE APPROVES CHANGES IN WIN

In addition to calling for tests, rather than implementation of a new program, the committee bill focussed heavily on changes in the WIN program. The report stated that the committee had been "greatly disappointed" in the administrative implementation of WIN. It quoted the Auerbach Corporation, the Labor Department's prime evaluator of the program, which it said, "succinctly sums up

[49] U.S. Congress. Senate. Committee on Finance. Report on H.R. 17550. 91st Cong., 2nd sess., Rept. No. 91-1431, p. 368.

the situation" as follows: "Despite the program's timeliness and general conceptual soundness, it has not lived up to expectations."[50]

The committee complained further:

> The points of emphasis the committee thought were abundantly clear in the 1967 amendments have been paid lip service or have been totally ignored. A meaningful program of on-the-job training continues to be an unfulfilled Labor Department promise. The legally required program of special work projects (public service employment) is a reality in only one State. Lack of Labor Department and Department of Health, Education, and Welfare cooperation and that of their counterparts at the local level has been a major problem in the referral process and in the provision of necessary supportive services for recipients in work and training. The main thrust of the WIN program as it exists today remains in the direction of basic education and classroom training, which our experience with manpower training over the last decade shows not to result in the placement of people in jobs, but rather in a growing skepticism of both welfare recipients and the public as to the worth of such endeavors.

The report cited statistics to support the committee's claim that "It has been characteristic of the Work Incentive Program that stated expectations and actual results have diverged widely."[51]

The committee's proposals generally incorporated amendments proposed by Senator Herman Talmadge (D.-Ga.), who as a member of the committee had been one of the major architects of the program when it was enacted in 1967. The Talmadge amendments in turn were based on findings of the Auerbach evaluators. The amendments included: A requirement that at least 40 percent of WIN funds be used for on-the-job training and public service employment; the creation of local labor market advisory councils to guide administrators in developing their WIN activities; a tighter definition of who must register for WIN; modifications in the administrative mechanism to provide improved coordination between labor and welfare activities at the Federal and local levels; increased Federal matching (from 80 percent to 90 percent) for WIN employment and training activities; and a requirement that other employment and training programs be used to serve WIN registrants. To encourage employers to hire WIN participants, the committee proposed the creation of a 20 percent tax credit for wages paid during the first 12 months of an individual welfare recipient's employment.

Finally, the committee urged the Labor Department to "show its commitment to WIN and to provide sufficient staffing at the Federal level commensurate with its responsibilities as the primary administrator of the program. The WIN program must receive the kind of implementation its importance deserves."[52]

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[50] Ibid., p. 343.
[51] Ibid.
[52] Ibid., p. 332.

PROPOSED CHANGES IN PROVISIONS FOR THE DISREGARD OF EARNINGS

The committee also proposed changes in the earned income disregard provision that had been enacted as part of the 1967 amendments. The report stated:

> Two problems have been raised concerning the earned income disregard under present law. First, Federal law neither defines nor limits what may be considered a work-related expense, and this has led to great variation among States and to some cases of abuse. Secondly, some States have complained that the lack of an upper limit on the earned income disregard has the effect of keeping people on welfare even after they are working full-time at wages well above the poverty line.[53]

The committee bill modified the 1967 disregard provisions by allowing only day care as a separate deductible work expense, and by otherwise limiting the amounts of earnings that could be disregarded.[54]

FAP DIES WITH THE END OF THE 91ST CONGRESS

The committee bill was highly controversial, largely because of the welfare testing provisions. After complicated floor maneuvering, the full Senate finally passed a bill on December 29 that omitted the welfare reform measures, but included the changes in the Work Incentive Program, as well as other changes. The House refused to go to conference on the bill, and the provisions died with the end of the 91st Congress.

FAP REVISED—WAYS AND MEANS AND H.R. 1

The Family Assistance Plan was reintroduced in the House in January 1971 as part of H.R. 1, the Social Security Amendments of 1971. Stung by the criticisms of the bill that had been raised in the Senate the prior year, the Committee on Ways and Means began work to come up with a bill that responded to the issues raised by the Senate, with a new and stronger emphasis on work and training.

In its May 26 report on H.R. 1, the committee cited many problems of the existing welfare system: large and growing caseloads; lack of confidence on the part of the taxpayers that assistance goes only to those who need it and not to those who are indolent or ineligible; bitterness of welfare recipients at a system that extracts self-respect; hopelessness for those trapped in a life on the dole; contempt from those who obtain undeserved benefits from an antiquated, unstable and lax welfare bureaucracy; a crazy quilt pattern of benefits and eligibility requirements; and incentives for more and more welfare, less and less work, and for family disintegration.

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[53] Ibid., p. 351.

[54] Under the existing legislation, States were required, in determining monthly benefits, to disregard (in the following order): the first $30, plus one-third of additional earnings, plus work-related expenses (undefined). The committee bill required the disregard (in the following order): of day care expenses (with limitations as to "reasonableness"), plus $60 ($30 for part-time work), plus one-third of the next $300, plus one-fifth of additional earnings. This same formulation was approved by the committee in a number of subsequent bills reported throughout the 1970's.

As in 1967, the committee stressed increases in costs and caseloads, stating:

> If the situation in welfare was alarming and in a state of crisis at the beginning of 1970, the AFDC program is now completely out of control. January 1971 expenditures for aid to families with dependent children were $482,423,000—a 40.5 percent increase over the previous January. The number of AFDC recipients rose from 7,501,000 in January 1970 to 9,773,000 in January 1971—2¼ million more people in one year!
>
> Immediate and far-reaching action is needed. Attempts to patch up the present system or to close its loopholes simply will not work and would lead to nothing but disillusionment and recrimination. The legislation which your committee is recommending is clearly needed now to prevent the collapse of a basic function of government, assisting its poorer citizens to a better life. The bill would establish entirely new programs to carry out this function of government in a modern way. [55]

The committee bill incorporated the idea that welfare recipients could and should be separated into two categories—those who could work, and those who could not. There were to be two separate programs to serve the defined groups. The first and larger—the Opportunities for Families program—would provide work and training for those considered to be employable, along with a basic cash income guarantee for their families. The second—the Family Assistance Plan—would provide only cash assistance to those considered unemployable.

THE OPPORTUNITIES FOR FAMILIES PROGRAM FOR EMPLOYABLES

In stating its rationale for the new Opportunities for Families program for employable recipients, the committee in its report identified two basic difficulties in past legislative efforts to return welfare recipients to self-sufficiency: (1) All recipients had been lumped together without assessment of their ability to enter into the work force, and (2) authority for employment and training programs had been diffused at both the Federal and local level. The report stated that the committee bill "meets these problems by creating an entirely separate program for those who are defined under the bill as available for employment and by providing that this new program would be the complete and exclusive responsibility of the Department of Labor." [56]

The new program for employables covered all "working poor" families where there were two parents in the home, as well as most female-headed families.

Both the Ways and Means Committee and the Finance Committee had published documents in 1970 describing problems that had been experienced in the implementation of the WIN program. As noted earlier, many of the problems were identified in a study by

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[55] U.S. Congress. House. Committee on Ways and Means. Report on H.R. 1. 92nd Cong., 1st sess., Rept. No. 92-231, p. 159.
[56] Ibid., p. 162.

the Auerbach Corporation, which had made an evaluation of the program in 23 cities around the Nation. The Ways and Means bill, like the WIN amendments approved by the Senate in December 1970, included a number of features that reflected the findings of the Auerbach evaluation. These features were made part of the committee's new Opportunities for Families program.

A major problem cited by the Auerbach report was that States were not implementing with any consistency the 1967 requirement that welfare agencies must refer to the WIN office each "appropriate" individual who was not excluded under the law from the referral requirement. Some welfare agencies were defining "appropriate" very broadly, some very narrowly, with the result that referrals to the Secretary of Labor for participation in WIN were very uneven from State to State. The Finance Committee the previous year had included in its amendments to WIN a proposal designed to eliminate this kind of welfare office discretion. This approach was also adopted by Ways and Means in its new Opportunities for Families program.

The major change was in the treatment of mothers. The 1967 WIN admendments had not provided any specific exclusion from the work requirement for mothers, leaving it instead to the welfare agency to decide when the referral of a mother might be considered "appropriate". In H.R. 1, the committee provided for the exclusion of a mother with a child under age 3 (under age 6 until July 1974) who was actually caring for a child. The committee noted that as a practical matter it expected a large percentage of mothers to register voluntarily for employment and to take advantage of the child care provisions, training incentives, and allowances and employment opportunities provided under the bill.

The report said:

> Your committee understands the reasoning of those who are concerned about the requirement that mothers of young children register for and take work and training. However, two primary considerations led your committee to the decisions reflected in this provision of the bill.

The committee cited the fact that a large and growing number of mothers were in the work force, and "It seemed to your committee that to require such women to support out of taxes on their earnings those mothers who choose not to work but to live on public monies would be inequitable in the extreme."

> Second, your committee is convinced that, by and large, the child in a family eligible under these programs will benefit from the combination of quality child care and the example of an adult in the family taking financial responsibility for him. Nor should it be forgotten that the mother who takes the training or gets a job will have more money available to improve the family's circumstances and more adequately provide for the children.[57]

The committee bill provided financial penalties for individuals who refused to participate without good cause, and stated that it

[57] Ibid., p. 163.

was intended that the "good cause" exclusion be applied only in clear cut situations where the individual's reasons were sound and compelling.

The committee expressed its dissatisfaction with the administration of the WIN program, criticizing the Departments of Labor and HEW, as well as State and local agencies, for failure to coordinate their activities under the program. As a solution to this problem, the committee gave the Secretary of Labor sole responsibility for the program. The bill "federalized" the WIN program (as the report described it), giving the Secretary full authority and responsibility for all activities.

The report claimed that "While the WIN program has helped some recipients to become independent, it was a mistake to rely solely on State agencies in the administration of the program. For under those circumstances it is not possible to hold the Secretary of Labor entirely responsible for the result."[68]

The bill gave the Secretary the discretion to use any State or local agency to administer the program in a given area, or to administer it himself. The Secretary of Labor was also given authority to provide child care and supportive services to ensure coordination of manpower services and child care and other needed services.

The committee report rebuked the Department of Labor for undue emphasis on basic education and other institutional training under the WIN program, and urged the Department to use its new expanded authority to provide more program components that were directly related to work, such as on-the-job training. The committee report also urged the use of public service employment, commenting that "It is hoped that the traditional antipathy of the Department of Labor to this type of activity will have been dissipated by the realities of the present job market and that the program will be carried out with vigor and imagination.[69]

Wages under the public service employment program were required to be no lower than the Federal minimum wage, or the prevailing wage, if higher. The Secretary of Labor was required to review each individual in public service employment at least every six months to see whether a transition to regular unsubsidized employment was possible. To assure that the Secretary of Labor would have access to non-subsidized jobs, all State and local agencies supported in any way by Federal funds were required to list their job vacancies with the Secretary. All such agencies were required to establish goals for hiring welfare recipients (though the committee said it was not the intent that agencies be forced to hire unqualified people). The committee also noted that welfare recipients should be considered as a hiring source for regular Federal jobs where they could qualify.

The committee bill called for the establishment by the Secretary of a system of priorities in referring individuals to training, with the objectives of maximizing Federal savings in benefit costs by selecting people for training with a realistic view of job opportunities actually available in the local labor market.

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[68] Ibid., p. 165.
[69] Ibid., pp. 169–170.

The committee also wrote into the bill a specific priority for teen-age mothers, observing in the report that "the young teen-age mother who volunteers for this program should have the highest priority because she is the most likely to benefit from the training and thus escape from being condemned to a life on welfare. If at all possible, such a young mother should be helped to finish high school, and high school training would be the most appropriate the Secretary could arrange for her under most circumstances. Regular school attendance would be required in such instances."[60]

The committee estimated that its new Opportunities for Families program (given the acronym OFF) would cost about $2.2 billion in the first year of operation. The estimates were: manpower training—$540 million, child care—$750 million, public service employment—$800 million, and supportive services—$100 million.

FAP FOR UNEMPLOYABLES

The Ways and Means bill limited eligibility in its program for persons considered unemployable to female-headed families with children under age 3, and families in which the only adult member was incapacitated or otherwise exempt from registering under the Opportunities for Families program. Volunteers were to be automatically transferred from this cash assistance program, the Family Assistance program, to the OFF program.

Although the committee exempted incapacitated adults from the work requirement, keeping them under FAP, it provided for their referral to State vocational rehabilitation agencies, requiring them to participate in any program of vocational rehabilitation that the agencies found appropriate for them.

ESTIMATES FOR PARTICIPATION IN OFF AND FAP

The Administration estimated that in the first year 13.9 million individuals in 2.6 million families would be covered by the Opportunities for Families program, and 5.5 million individuals in 1.4 million families would be enrolled by the Department of HEW in the Family Assistance Plan.

THE ULLMAN ALTERNATIVE—REACH

The Ways and Means Committee considered, and rejected, an alternative reform proposal that was developed by Congressman Ullman. Mr. Ullman called his program Rehabilitation, Employment Assistance and Child Care (REACH). In his statement of minority views in the committee report, he argued that the committee bill failed to give proper emphasis to the "keystones" of welfare reform—child care, job training and job placement. REACH, he said, "provides for a new and major national day care program. It provides for priority treatment of employable welfare applicants under greatly expanded federal job training and placement programs. It makes a meaningful distinction between employable and unemployable persons, fully removing employable persons from the welfare system and giving them all the services and incentives nec-

[60] Ibid., p. 171.

essary to guarantee them a real opportunity to be employed, to maintain their self-respect, and to become fully participating members of society."[61]

Despite the criticisms raised by Mr. Ullman and others, the House rejected the Ullman alternative, passing the Ways and Means bill by a vote of 288 to 132.

TALMADGE REVIVES HIS WIN AMENDMENTS

In the Senate, in the meantime, there was continued interest in trying to strengthen the existing WIN program. Although the 1970 Talmadge amendments had died when House-Senate conferees failed to meet on H.R. 17550 at the end of the 91st Congress, the Senator reintroduced his proposals in the 92d Congress. In a speech on March 1, 1971, Talmadge described his amendments as "designed to make the Work Incentive Program the success we had hoped for." He expressed sharp criticism of the Labor Department for the way it was administering the program.

> In 1967, the Committee on Finance designed the Work Incentive Program which is now part of the Social Security Act. I supported this program in 1967 and I continue to support it today since I feel that it is good legislation. In administering the program, however, the Labor Department has failed miserably to meet the promise of the legislation to lead welfare recipients to useful, productive, independent lives.[62]

The Committee on Finance and the Senate approved the Talmadge amendments as an amendment to H.R. 10947, the Revenue Act of 1971. When House conferees refused to accept the amendments as not germane to the revenue bill, the Senate on December 4, 1971, adopted the Talmadge amendments as a floor amendment to H.R. 10604, a social security lump-sum death payment bill.

The Finance Committee described the amendments in its report to the Senate as having as their purpose:

> * * * to make the Work Incentive Program more employment-oriented, to develop job opportunities for participants in the program and to improve the administrative frame-work of the program in order to increase its effectiveness in placing participants in jobs. These features are necessary because the Work Incentive Program continues to suffer from the problem of participants finishing their training without jobs being available. At the end of August 1971, for example, about 25,000 participants had completed training; 37 percent of them were in a "holding" category because a job could not be found. The number of persons in this "holding" category has more than doubled in one year, from 4,290 at the end of August 1970 to 9,092 at the end of August 1971.[63]

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[61] Ibid., p. 386.
[62] Congressional Record. March 1, 1971, p. S2128.
[63] U.S. Congress. Senate. Report on H.R. 10947. 92nd Cong., 1st sess. Rept. No. 92-437, pp. 131-132.

As part of the attempt to make the program more employment oriented, the committee included in the bill a provision requiring that at least 40 percent of employment and training funds be earmarked for OJT and PSE.

Responding to the criticism that the WIN program was paying insufficient attention to actual labor market conditions in developing its program of activities, the committee approved an amendment requiring the establishment of State and local labor market advisory councils whose function would be to identify present and future labor market needs, and whose findings would serve as the basis for training activities.

The 1967 law requiring welfare agencies to refer individuals whom they found to be appropriate for referral to the Department of Labor for employment or training was criticized by the committee as having resulted in poor coordination between the welfare and employment agencies. The committee observed:

> In some cases, the welfare agency has not referred sufficient numbers of persons, while in other cases they have referred too many persons, without first arranging for such supportive services as child care needed in order for the welfare recipient to participate in the Work Incentive program. Due to lack of coordination between the welfare agency and the Labor Department, persons have sometimes been referred who do not match the training or employment opportunities available in the area.[64]

The solution offered by the committee was to require the welfare agency to set up a special unit with the responsibility of arranging for the social and supportive services that recipients needed in order to participate in WIN. In additon, the welfare agency and the Labor Department were required at the State level to develop a joint operational plan setting forth, for localities in the State, the kinds of training to be arranged, the kinds of job development that should be undertaken, and the kinds of job opportunities both agencies had to prepare participants for, during the duration of the plan.

Citing the fact that WIN had been criticized because of the difficulty in administering the requirement that State welfare agencies refer all "appropriate" persons for employment and training, the committee report said that the bill "would end the problem" by requiring that all recipients, except those specifically excluded by law, must register with WIN. State welfare agencies would no longer be able to determine whether an individual was "appropriate" for referral, but would have to refer all individuals for registration with WIN except those meeting the following definitions: (1) a child under age 16 or attending school full time; (2) a person who is ill, incapacitated, or of advanced age; (3) a person living so far from a WIN project that his effective participation is precluded; (4) a person who must remain in the home because of the illness or incapacity of another member of the household; (5) a mother of a child under age 6 who is caring for the child; and (6) the mother of

[64] Ibid., p. 132.

a child if the father is registered for WIN. The bill also allowed voluntary registration.

The committe bill required the Secretary of Labor to serve WIN registrants on the basis of the following priorities. (1) unemployed fathers; (2) dependent children and relatives age 16 and over who are not in school, working, or in training; (3) mothers who volunteer for participation; and (4) all other persons.

The committee also included a provision which laid the basis for the joint administration which now exists at the Federal level by the Department of Health and Human Services and the Department of Labor. It required that regulations be promulgated jointly by both departments, and required joint establishment of a national coordination committee to administer the WIN program.

The amendments increased Federal matching for employment and training activities from 80 percent to 90 percent; increased from 75 to 90 percent the Federal share for supportive services; specified that WIN funds were to be allocated on the basis of each State's proportion of registrants for WIN; and required on a State-by-State basis that at least 15 percent of WIN registrants be certified by the State welfare agency unit as ready for employment or training activities in the WIN program.

In summary, the Finance Committee amendments (1) had the effect of shifting the emphasis in the program from institutional training to job placement; (2) designated more specifically than previously the categories of individuals whom the States must require to participate in WIN; (3) emphasized and mandated coordination of the welfare and manpower functions both at the Federal and the State levels; and (4) increased the level of Federal funding.

HOUSE-SENATE CONFERENCE ON THE 1971 TALMADGE AMENDMENTS

House conferees on H.R. 10604, which included the Finance Committee's WIN amendments, quickly agreed to most of the proposed changes in the program. However, the House insisted that the amount to be earmarked for OJT and PSE be limited to one-third, rather than 40 percent of total employment-related funding. The House also insisted on changing the priority by which the Secretary of Labor was to serve WIN registrants, arguing that welfare mothers should have a higher priority for participation than had been accorded them in the Senate bill. The priority agreed to by the conferees moved young mothers and pregnant teenagers ahead of dependent children and other relatives in the order of priority. As agreed to by the conferees, the priority went as follows: (1) unemployed fathers, (2) mothers who volunteer for participation, (3) other mothers and pregnant women under 19 years of age, (4) dependent children and relatives age 16 or over who are not in school, working, or in training; and (5) all other persons. The House also insisted that the Secretary of Labor should be given greater flexibility in allocating funds than provided under the Senate bill. Instead of providing that all funds be allocated on the basis of the State's proportion of WIN registrants, the conference agreement provided that 50 percent of funds should be allocated on that basis, with the remaining to be allocated on the basis of criteria developed by the Secretary.

House conferees, expressing concern about the potential costs of the Senate changes, insisted that a limit be placed on the amount that could be appropriated for supportive services in the first year that the new 90 percent matching rate was in effect. The limit that was imposed was $750 million for fiscal year 1973. (In fact, the appropriation for all WIN functions, supportive and manpower services combined, was only $290 million in that year.) [65]

MR. MILLS JUSTIFIES THE CONFERENCE ACTION

In justifying the action of the House conferees in the House debate on the conference report, Wilbur Mills, chairman of the Ways and Means Committee, stated:

> The House conferees were guided in their consideration of the Senate amendment by action already taken in H.R. 1, which would have set up an entirely new work program for public assistance recipients. The House can be assured that there is nothing to which the House has agreed which would be inconsistent with the adoption of the new work program which was included in H.R. 1. As a matter of fact, it can very well be argued that the interim steps which these amendments would make would mean an earlier and more effective operation of the new program included in H.R. 1.[66]

Although John Byrnes, ranking minority member on the Ways and Means Committee, complained on the floor about the cursory way in which the conferees had acted, and argued that welfare reform rather that a piecemeal approach, would be preferable, the House, on December 14, 1971, approved the conference report without a formal vote.

THE FINANCE COMMITTEE AGAIN LOOKS AT FAP

The Committee on Finance began hearings on the House-passed versions of H.R. 1 in July 1971. Despite the changes that had been made in this version of the welfare reform package, however, it was clear that it faced serious opposition in the Senate committee. Senator Long, chairman of the committee, expressed his skepticism about the bill in a dialogue with Secretary of Labor Hodgson:

> I have been described as a great arch-conservative by some. When I first came here I advocated welfare amendments and was regarded as one of the flaming liberals, but there are certain things fundamental to me. With regard to this bill, it is not the cost that bothers me, but whether

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[65] The legislation authorizing 90 percent Federal matching for supportive services was drafted in the same form as the authorizing legislation for other components of the AFDC program. Thus, although the conference report did not specifically address the subject, it would seem that conferees expected that Federal matching for WIN supportive services for years after 1973 would be available to the States on the same basis as other AFDC matching, that is, on an open-end entitlement basis. However, both the Administration and the appropriations committees have consistently treated the WIN supportive services and the employment services as a single package with a limited appropriation.

[66] U.S. Congress. Congressional Record. December 14, 1971, H12450.

this thing will work. I have my doubts that the controversial sections in this are going to work.[67]

Senator Long expressed his own view on the preferability of work over welfare, and how to approach the issues inherent in work requirements, as follows:

> Mind you, I was enthusiastically for the WIN program. Some of the same philosophy is involved here in the OFP program. It has this thought to it, that Senator Harris finds objectionable, and others, that after you put the person on welfare you are trying to make him go to work.
>
> I know I read the article in the Wall Street Journal the other day discussing the experience under this program, some people like to call it the WIP program, the work incentive program. WIP, it is a whip to make people go to work in menial jobs, slave labor or some such thing as that that would be a more appropriate name.
>
> Now we can overcome that idea that we are trying to force somebody to go to work if we just simply said to them, "Well, you are not eligible for the welfare to begin with. There is a job, take it. If you do not want the job, that is all right, you can find something else to do."
>
> If you approach it that way, that you are not eligible for welfare because we have some jobs to be done, and only when they run out of jobs which we would be willing to subsidize to bring them up to some standards of living that we thought was acceptable or that the person could live in with some degree of dignity, would we put somebody on welfare.
>
> Have you given much thought to the idea of approaching it from that direction, to say there, "You are not eligible for welfare so long as there are jobs available."
>
> Right here in the Washington area, we can find a whole host of jobs available especially if we are willing to add something to what the job pays, and half the time the argument that the job does not have sufficient meaning to it is really that the job does not pay enough.[68]

The discussion between the Senator and the Secretary continued:

> Have you thought about it from that point of view that maybe we ought to just approach it on the basis that, "You are just not eligible for the welfare because there is a whole bunch of jobs around here. Just take your choice, anyone you want, take it, and we will add something to it, to bring your income up to something that we think you can get by on."
>
> Secretary HODGSON. Well, in effect, that is the direction in which H.R. 1 heads, only it does not do it as a prior condition.

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[67] U.S. Congress. Senate. Committee on Finance. Hearings on H.R. 1, Social Security Amendments of 1971. 92nd Cong., 1st sess. p. 175.

[68] Ibid., pp. 180–181.

I do not know if I understand fully, if you are really talking about work relief; the concept that you do not get any welfare unless you work.

The CHAIRMAN. If there are jobs available.

Secretary HODGSON. It is a pretty attractive concept in many ways. It might serve as a disincentive to go on the rolls for those that do not deserve to go on. Of course, it is also attractive from the standpoint of those who object, as most of us do, to the something-for-nothing connotation some of the welfare people are charged with being guilty of.

But is does have, it seems to us, a lot of problems that would have to be considered pretty seriously. We have a wage system in this country, a wage system of equal pay for equal work. We also have a welfare system that is a family supportive system and that system is based on the amount the family needs, not upon the pay for work. What work relief in the welfare system will do to the wage system is something which has to be examined.

The CHAIRMAN. I think we can find a way to get around that, Mr. Secretary.

Secretary HODGSON. That may be. But that is just one factor. The labor market situation is another; whether these are productive jobs, producing anything for the country or whether if they are just manufactured jobs; whether they will create a straw boss bureaucracy; whether they will really result in immobility of labor to the detriment of national productivity. Also the work ethic itself; whether it would be a disincentive to have work relief prevail. Then there are a lot of administrative problems, such as how do you make sure these people stay productive, how do you make sure they have the personal conduct needed on the job, and job discipline. Because so many things are involved in a program like this, I think anything you do on this ought to be done on an experimental basis.[69]

THE FINANCE COMMITTEE ALTERNATIVE: A GUARANTEED JOB FOR EMPLOYABLES

Chairman Long's skepticism about the approach to welfare reform taken by the Administration and by the House, which he referred to as a "guaranteed income," and his idea that the preferable approach was to offer individuals jobs rather than providing welfare and then requiring work, presaged a long period of intensive closed-door executive sessions by the committee to come up with an alternative approach to welfare reform. The committee's version of H.R. 1 was not reported until September 26, 1972, more than a year after the committee began its hearings on the House-passed bill.

In reporting H.R. 1, the committee claimed: "H.R. 1 represents the most massive revision of the social security laws that the Congress has ever undertaken."

[69] Ibid., p. 181.

The report continued:

> * * * perhaps the most significant features of the bill are those seeking to reform the program of aid to families with dependent children. The committee bill offers a bold new approach to the problem of increasing dependency under this program. Under the committee bill, if the family is headed by a father or if it is headed by a mother whose youngest child has reached school age, the family would not be eligible to receive its basic income from welfare but instead would be given an opportunity to become independent through employment, including a guaranteed job and substantial economic incentives to move into regular jobs. The cost of this new guaranteed job program would be borne entirely by the Federal Government, and its cost together with the substantial increase in Federal funds for the remaining AFDC program would amount to an estimated increase of more than $4 billion in Federal expenditures in 1975, with more than half of this amount (over $2 billion) representing increased income to low-income working families.[70]

The committee explained the philosophy of its welfare reform proposal as follows:

> When the AFDC program was first established under the Social Security Act of 1935, American society generally viewed a mother's role as requiring her to stay at home to take care of her children; she would be considered derelict in her duties if she failed to do so. But values have changed, and today, one-third of all mothers with children under age six are members of the labor force, and *more than half* of the mothers with school-age children only are members of the labor force. This number has been growing steadily in the past 20 years, and it may be expected to continue to grow. In families where the father is not present, two-thirds of the mothers with school-age children are in the labor force.
>
> At the same time, it is widely recognized today that many important tasks in our society remain undone, such as jobs necessary to improve our environment, improve the quality of life in our cities, improve the quality of education in our schools, improve the delivery of health services, and increase public safety in urban areas. The heads of welfare families are qualified to perform many of these tasks. Yet welfare pays persons not to work and penalizes them if they do work. Does it make sense to pay millions of persons not to work at a time when so many vital jobs go undone? Can this Nation treat mothers of school-age children on welfare as though they were unemployable and pay them to remain at home when more than half of

[70] U.S. Congress. Senate. Committee on Finance. Report on H.R. 1, Social Security Amendments of 1972. 92nd Cong., 2nd sess., Rept. No. 92-1230, p. 3.

mothers with school-age children in the general population are already working?

It is the committee's conclusion that paying an employable person a benefit based on need, the essence of the welfare approach, has not worked. It has not decreased dependency—it has increased it. It has not encouraged work—it has discouraged it. It has not added to the dignity of the lives of recipients, but it has aroused the indignation of the taxpayers who must pay for it.

As President Nixon has stated:

> In the final analysis, we cannot talk our way out of poverty, we cannot legislate our way out of poverty; but this Nation can work its way out of poverty. What America needs now is not more welfare, but more "workfare". * * * This would be the effect of the transformation of welfare into "workfare," a new work-rewarding program.

The committee agrees that the only way to meet the economic needs of poor persons while at the same time decreasing rather than increasing their dependency is to reward work directly by increasing its value. The committee bill seeks to put the President's words into practice by:

(1) Guaranteeing employable family heads a job opportunity rather than a welfare income; and by

(2) Increasing the value of work by relating Federal benefits directly to work effort.

The committee found that the House-passed bill would not carry out these objectives. It would not reform the existing welfare system, but would merely expand it; instead of reducing the welfare rolls it would increase them by some fifteen million people in the first year alone. It would not reward work effort but would instead penalize it—more than present law in most cases. It would not provide work for the employable but instead would provide welfare for those who work. Though it would ostensibly separate employables and unemployables, it in fact would provide welfare payments for both categories.

The basic approach of the House bill is to keep on the welfare rolls all of those who are now on and to add to the welfare rolls those who are now working at low incomes. This is welfare expansion, not welfare reform. Having added millions to the welfare rolls the House bill then operates on the hope that those who have been put onto the welfare rolls can be removed through expanded work and training programs. The relatively small work and training programs under present law have failed to have an impact on the growing AFDC rolls—how much more unlikely, then, that expanded work and training programs would have an impact on welfare rolls that have been doubled. The committee bill takes a different approach.

The committee bill will substantially increase Federal expenditures to low-income working persons, but the in-

creased funds that go to them—about $2.4 billion—will be paid in the form of wages and wage supplements, not in the form of welfare, since the payments will be related to work effort rather than to need. Under the present welfare system and under the House-passed bill, an employed person who cuts his or her working hours in half receives a much higher welfare payment; under the committee bill, a person reducing his or her work effort by half would find the Federal benefits also reduced by half.[71]

As the above quotation indicates, the committee's approach was basically to deny welfare payments to families headed by an able-bodied father, and, with some specific exceptions, to families headed by a mother whose youngest child had reached age 6. Instead of welfare benefits, these families would be eligible for a guaranteed job. All participants in the new guaranteed job program would be volunteers, and there would be no means test. Generally, all heads of families, whether eligible for welfare or not, as well as heads of families no longer eligible for welfare, could volunteer to participate in the employment program.

More specifically, three types of benefits were provided for working parents:

1. A work bonus equal to 10 percent of wages covered under social security up to a maximum of $400 annually, with the amount of the bonus phasing down as the family's wages exceeded $4,000.

2. A wage supplement for persons employed at less than $2.00 an hour (assumed to be the minimum wage at the time of implementation) but at least $1.50 an hour, equal to three-quarters of the difference between the actual wage paid and $2.00 an hour.

3. A guaranteed job opportunity provided by a newly established Work Administration paying $1.50 an hour for 32 hours, with maximum weekly earnings of $48.

DESCRIPTION OF THE PROPOSED NEW YORK ADMINISTRATION

The committee proposed to create a new Work Administration to administer the guaranteed job program. The Work Administration was required to follow a system of priorities in placing participants in jobs. The first priority was in regular employment in the private sector or in jobs in public or nonprofit private organizations, with pay at least the minimum wage. The second priority was in regular jobs paying wages below the minimum wage, in which case a wage supplement would be paid. (At that time, many more types of jobs were exempt from Federal minimum wage rules than is now the case.) The third priority was placement in employment arranged by the Work Administration with public or private agencies, or, on a transitional basis, with private employers, or as staff for the Work Administration itself. The committee report observed that "Though a number of the Work Administration's employees would have to be recruited from other sources, it is contemplated that a substan-

[71] Ibid., pp. 411-412.

tial majority would be drawn from participants in the guaranteed employment program."[72]

The committee bill authorized the Work Administration to arrange for transportation assistance where necessary to help individuals commute to a regular job. It also authorized the new agency to provide training to those participants in the guaranteed employment program who volunteered for training (with the level of payment to participants set at an amount below the guaranteed employment wage level so as to assure that persons choosing training over employment would be those who were seriously motivated to undergo training).

The bill called for the creation of a new Bureau of Child Care to (as the committee report stated) "arrange for making child care services available throughout the Nation to the extent they are needed."[73] The Bureau of Child Care, modeled after the Child Care Corporation approved by the committee in 1970, was to be financed through a revolving fund, established by Congressional appropriations. Operating costs were to be met in part by the collection of fees, based on family income. The bill authorized an appropriation of $800 million in fiscal year 1973 (and such sums as the Congress appropriated in years thereafter).

AFDC PROPOSED AS A BLOCK GRANT PROGRAM

The committee retained the Aid to Families with Dependent Children program, but essentially made it into a block grant program, with the Federal statute defining the outer limits of eligibility, but otherwise granting the States the ability to establish their own additional conditions or limitations on eligibility. The committee limited eligibility for AFDC to families with children without an employable parent. In general, any able-bodied father wa considered employable, as was any able-bodied mother heading a family other than one caring for a child under age 6 or for another member of the household who was ill or disabled.

In addition to establishing a new employment program and redefining the AFDC program, the committee bill included numerous provisions aimed at tightening the AFDC administrative procedures, strengthening the enforcement of child support obligations (increasing the Federal role in several major ways), and limiting Federal matching for the social services program. Overall, according to the committee, the bill represented substantial fiscal relief to the states in the area of welfare.

THE SENATE APPROVES TEST PROPOSALS

The committee bill, containing major provisions relating to social security, medicare and medicaid, as well as the proposed welfare changes, became subject to great controversy on the Senate floor. The fight against the welfare provisions was led by Senator Ribicoff, who had been a staunch proponent of the Administration's Family Assistance Plan at the beginning, but who refused to support it as it had been changed in the House-passed version of H.R.

[72] Ibid., p. 423.
[73] Ibid., p. 439.

1. The Senator, a member of the Finance Committee, laid out his major objections to the committee's bill in his additional views printed along with the committee report.

"The Finance Committee proposal," the Senator wrote, "offers more of the same workfare programs which have failed in the past."

He continued:

> The program approved by the Senate Finance Committee represents a long step backward on the road to welfare reform.
>
> The Finance Committee proposal retains the existing, widely discredited State AFDC programs for mothers with young children, and adds *on top of it another program for* families with an overlapping jumble of wage subsidies, social security tax rebates, work disincentives and sub-poverty wage programs.
>
> Rather than coordinate and improve the operation of our welfare program, the Committee proposal compounds the lack of coordination by scattering new programs throughout the Federal Government. The new "workfare" programs would be administered by the Departments of HEW, Treasury and a new Federal Work Administration in addition to the 1152 administrative units at the state and local level which already handle the AFDC program.
>
> The Committee's proposals supposedly increase work incentives but the combined effect of the disparate array of income supplements, tax rates and job programs is to discourage people from working. Welfare recipients will be in a continuing state of confusion about how to relate to all the offices and programs involved.
>
> Even more importantly, the Committee bill does nothing to improve the level of benefits AFDC recipients receive, or to move in the direction of nationally uniform eligibility standards and payment levels.
>
> The costs of the Committee proposal would exceed those of H.R. 1 by over $6 billion and would cover some 30 million people. Yet much of the money for the program would not be concentrated on the poorest of the poor. Instead, large amounts would go to those earning relatively more money. Administrative costs would also be increased since records would have to be maintained and transferred between many different Federal, State and local agencies.[74]

Criticizing the committee for creating a new employment program, the Senator maintained that the committee proposal "concentrates heavily on the small minority who are employable." The "vast majority" of welfare recipients, said the Senator, are "unemployable." [75]

Senator Ribicoff urged the Senate to reject the committee bill, and to approve instead a proposal of which he was a co-sponsor,

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[74] Ibid., p. 1250.
[75] Ibid., p. 1251.

and which incorporated the recommendations of President Johnson's Commission on Income Maintenance Programs.

Ultimately, on October 6, 1972, the Senate, after lengthly debate, passed a version of H.R. 1 that provided for testing the House proposal, the Ribicoff proposal, and the proposal recommended by the Finance Committee. In the test areas, the test programs would have replaced the AFDC program. (The legislation passed by the Senate also included the Finance Committee proposals relating to child support and supplementation of low-income wages. The child care provisions were included but with an indefinitely postponed effective date.) All of these provisions were dropped from the legislation in the House-Senate conference. The issue was not revived by the 92nd Congress.

H. Legislation for Employment-Related Demonstration Projects

Several times during the 1970's the Committee on Finance initiated legislation authorizing States to test ways in which to provide employment for AFDC recipients.

As noted earlier (see discussion on Nixon's welfare reform proposal), the committee in 1971 approved amendments to provide demonstrations of work-related programs for AFDC recipients.

In 1973 the committee reported an amendment (included in H.R. 3153) that authorized demonstration projects "to permit the States to achieve more efficient and effective use of funds for public assistance, to reduce dependency, and to improve the living conditions and increase the incomes of individials who are recipients of public assistance * * *."

In describing the amendment on the Senate floor, Senator Long noted that "the need for improvements in the existing welfare system for families with children has been widely recognized, but an acceptable solution to this problem has proven elusive."

The Finance Committee chairman commented further:

> * * * Quite recently, a number of States have either implemented or indicated a desire to implement demonstration projects designed to try out some innovative proposals in this area.
>
> In order to encourage such activity on the part of the States, the Committee on Finance has included in its amendment to H.R. 3153, a provision which would broaden the demonstration authority in existing law so as to emphasize experimentation by the States in the crucial area of making employment more attractive to welfare recipients. States could have up to three demonstration projects, one of which could be Statewide. In order to carry out these projects, States could waive certain specific statutory requirements applicable to the AFDC program.
>
> One type of project States could undertake, for example, would be to use welfare funds to pay part of the cost of public service employment. The State could then take this amount and add additional amounts in order to pay a wage substantially higher than the amount of the welfare payment. Thus, a State, for example, could have a pro-

gram where welfare clients who desire to may engage in public service employment in hospitals, day care centers, or other nonprofit institutions so that they would be assured they would receive twice as much for doing useful work in the public interest as they would receive as welfare recipients. Other types of projects would also be authorized. For example, States could, within certain limits, experiment with the income disregard provision. Demonstration projects under the provision could not last more than 2 years and the provision itself expires June 30, 1976. Participation in the projects by recipients would have to be voluntary. The Federal cost would be limited to the amount of Federal matching which would be payable if participants in the projects had simply remained on welfare.[76]

H.R. 3153 was never voted on by the Senate and died without any further action. However, in 1977 the demonstration provision which it contained was picked up again by the Finance Committee, with only minor revision, in amendments both to H.R. 7200, the Public Assistance Amendments of 1977, and H.R. 5322, the Social Security Amendments of 1977. It was enacted as part of the latter bill on December 20, 1977.

The new demonstration authority was temporary, with authority for all demonstration projects ending September 30, 1980. States were limited to not more than three demonstration projects, only one of which could be statewide. No project could operate for more than two years.

The provision included broad waiver authority, including waiver of the statutory requirement that AFDC programs must be operated uniformly statewide, that administration must be by a single State agency, and that earned income be treated according to specific rules. In addition, States were allowed to waive the statutory AFDC work requirement rules.

States participating in a demonstration project were specifically authorized to use welfare funds to pay part of the cost of public service employment. A State could add additional amounts in order to pay a wage higher than the amount of the welfare payment. States could contract with non-profit private institutions organized for public purposes, such as hospitals, as part of the demonstration project. Participation in a demonstration project by an AFDC recipients was made voluntary.

The committee report on H.R. 5322 complained that "A number of States have attempted to institute innovative employment programs for welfare recipients but they have been inhibited by HEW because of its slowness to act under current demonstration authority." [77] To overcome this, the bill provided that a State's application for a demonstration waiver would be considered approved unless the Secretary, within a time limit of 45 days, disapproved the waiver as inconsistent with the purposes of the demonstration authority and the purposes of the AFDC law. This provision was

[76] Congressional Record. Nov. 28, 1973. p. S38373.
[77] U.S. Congress. Senate. Committee on Finance. Report on H.R. 5322. 95th Cong., 1st sess., p. 47.

modified by House-Senate conferees to require a 30 day comment period, and to require that a project not be allowed to proceed until the Secretary has given approval (which could not be until after the comment period), or after 60 days. The conferees also added a requirement that work in a project had to be compensated at a rate equal to the prevailing hourly wage for similar work in the locality.

Regulations implementing the new authority were not published until nearly a year after enactment (on November 17, 1978), which gave the States less that two years (to October 1980) to submit an application and to complete a demonstration project. The authority expired without being used.

I. Carter's Welfare Reform Proposal—Basic Issues Reemerge

CARTER'S STATEMENT OF PRINCIPLES

Like Nixon eight years earlier, President Jimmy Carter made "reform" of welfare programs a major domestic priority for his Administration. On May 2, 1977, Carter issued a statement outlining the "goals" he had set for carrying out this reform. The statement began:

> Shortly after becoming President, I announced that a comprehensive reform of the nation's welfare system would be one of our first priorities. Under the general leadership of HEW Secretary Califano, we have worked with other private and government agencies during the last three months to assess the present welfare system and to propose improvements to it. It is worse than we thought.
>
> The most important unanimous conclusion is that the present welfare programs should be scrapped and a totally new system implemented.

The 12 Carter goals were:

1. No higher initial cost than the present systems;
2. Under this system every family with children and a member able to work should have access to a job;
3. Incentives should always encourage full-time and part-time private sector employment;
4. Public training and employment programs should be provided when private employment is unavailable;
5. A family should have more income if it works than if it does not;
6. Incentives should be designed to keep families together;
7. Earned income tax credits should be continued to help the working poor;
8. A decent income should be a provided also for those who cannot work or earn adequate income, with federal benefits consolidated into a simple cash payment, varying in amount only to accommodate differences in costs of living from one area to another;
9. The programs should be simpler and easier to administer;
10. There should be incentives to be honest and to eliminate fraud;

11. The unpredictable and growing financial burden on state and local governments should be reduced as rapidly as federal resources permit; and

12. Local administration of public job programs should be emphasized.

As can be seen, there was similarity between the initial Nixon and Carter statements on welfare in their references to work incentives, phrased by Carter as "A family should have more income if it works than if it does not." [78] But with respect to employment, there were differences in substance and in tone. Carter said that "every" family with children and a member able to work should have access to a job, and that public training and employment programs should be provided when private employment is unavailable. Nixon's phraseology was less sweeping, calling for "a major expansion of job training and day care facilities, so that current welfare recipients able to work can be set on the road to self-reliance." Unlike the Nixon statement, the Carter statement included no reference to any kind of work requirement.

HEARINGS ON THE PRESIDENT'S STATEMENT OF PRINCIPLES

Both the House Subcommittee on Public Assistance and Unemployment Compensation and the Senate Subcommittee on Public Assistance immediately held exploratory hearings on the President's statement on principles of welfare reform. Because there was as yet no specific legislation to consider, the hearings were general in tone. On the House side, Secretary of HEW Joseph Califano presented a list of issues that he said had to be answered, remarking that "The tradeoffs in designing welfare reform are excruciatingly tough." Among the questions he raised were: How do we set benefits at adequate assistance levels and introduce an overriding incentive to work? Which recipients should be required to work? Should public jobs be guaranteed? If so, to whom?

Secretary Califano promised that the President's proposal would "completely restructure" the welfare system, and that the Administration would work closely with the Congress in developing the specifics of its welfare reform proposal.[79]

During the Senate hearings, Chairman of the Finance Committee Russell Long emphasized that in his view, the approach should be to offer jobs, not welfare. His comments to Secretary Califano reflected the approach he had advanced during the Nixon welfare reform debate—why not offer a job instead of welfare, and so avoid the difficulties posed by the cash incentive approach?

> I would like to raise one point that has occurred to me many times. I see on your chart there that 85 percent of poor male heads of families work at some time during the year. And, in another place, you say that 49 percent of

[78] See "Nixon Proposes the family assistance Plan" under the heading "Welfare Reform or Welform or Welfare Expansion? The Nixon Era." For an excerpt from Nixon's statement: "I propose that we make available an addition to the incomes of the 'working poor,' to encourage them to go on working and to eliminate the possibility of making more from welfare than from wages."

[79] U.S. Congress. House. Committee on Ways and Means. Subcommittee on Public Assistance and Unemployment Compensation. Hearings. Special HEW Report on Welfare Reform. 95th Cong., 1st sess., p. 10.

female heads of families worked during the year. So, according to those charts, there is a father or a mother who is able to do some gainful work and who would like to do so if provided the proper opportunity. It seems to me that that contradicts what has been the traditional view of your Department—of the people who were there before you came, and who will be there after you are gone, Mr. Califano.

What the majority of us on this committee want to do is to offer those people that opportunity. But we don't want to be offering them jobs on the basis that when they take the job it works out that there is a 70 percent tax on their earnings by the time you get through counting the welfare advantage they would have without working. If we offer jobs on that basis, it is so discouraging and so self-defeating that they will just quit. Under those same circumstances, the most highly motivated people in the country would not work.

So it seems to me that you will never work this thing out by saying you are going to pay these people for doing nothing and phase out those payments when they take a job. It looks to me like you are going to have to say: "We are not going to pay you on welfare if you are capable of working; but, if you are capable of working, here is a job you can take."

This is not a case of making them take a job. It is offering them an opportunity.[80]

Senator Long later returned to the same theme, urging the Secretary to allow the States to develop their own programs "to put people to work."

Senator LONG. There is one thing that you can do for the city of New York that nobody on this committee would object to as far as I know. I, for one, would recommend it.

What I am suggesting is that your Department let the States pay money to some of these people for work rather than paying them for doing nothing.

Do you have any objection to giving the States that option—to pay people to do something rather than to pay them for doing nothing?

Secretary CALIFANO. If is the extent that we can do that in regulations and the extent that the law permits that; it is obviously better on the whole to have people working who want to work rather than have them receive cash income for not working. We all agree on that.

Senator LONG. One of the people who had a high responsibility in your Department under the previous administration told me that the most effective way to improve the welfare program is for States to pay money to put people to work. I am talking about paying the same person, but you pay him to work.

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[80] U.S. Congress. Senate. Committee on Finance. Subcommittee on Public Assistance. Hearings. President's Statement on Principles of Welfare Reform. 95th Cong., 1st sess., p. 9.

Apparently, some people in your Department construe the welfare laws—I do not think they have any decisions to back this up—as requiring that you pay people for doing zero, for being idle. They view it as immoral to pay people to work. I do not think you share that view.

Secretary CALIFANO. No, I do not.

Senator LONG. Then I think that is one of the things that we ought to be able to try. It seems to me we ought to give States that right, if they want to do it, immediately. We should just say: "If you want to pay some of this money to somebody to work, there is no reason why not. Go right ahead. It is all right with us."

This may be one of the answers to the welfare program. Take a poor family that has never been able to succeed in anything but has always gotten the worst of it. Instead of paying the welfare money to them, pay it to someone who will put the head of that family to work and will pay him twice what the welfare money would be.

We are setting the stage for that approval in the tax bill we just agreed to yesterday. In that bill we say, "If you increase the number of employees, we will provide you a tax advantage." We did the same kind of thing previously, with the Talmadge amendment, which provides a 20-percent tax credit if you hire somebody who is on the welfare rolls.

There are some areas where you may find yourself at issue with the majority on this committee. But those issues can be resolved very easily if you can prove to these people that your proposal will work in a fashion that is convincing. I do not know anything more convincing than having something in place where you can look at it and see that it actually works. If you will do that, then they will buy it. I would buy it, if you can do that. Show me that this works. If it works, I will go along with it.

But if you have something you have tried and it does not work or if I challenge you to try it somewhere and you say to me, as the previous Under Secretary did, "That is the last thing we will do—to try it somewhere where you can look at it"—then you can understand why people at that point would not be willing to buy your proposal.

Secretary CALIFANO. Senator, there have been many demonstrations during the last couple of years, and we should submit them for the record of this subcommittee.

Senator MOYNIHAN. The Chair would appreciate that. I think it is the case that some of these experiments have had results that moved in different directions.[81]

THE BETTER JOBS AND INCOME ACT

Four months after issuing the statement of principles, the Carter Administration had completed drafting its welfare reform bill. It

[81] Ibid., pp. 33–34.

was introduced in both Houses of Congress in early September 1977.*

The bill was broad in scope. It repealed the AFDC, SSI, Food Stamp and Work Incentive programs. It replaced these programs with a new comprehensive income support program and a new jobs program. The new cash program was to be administered by the Federal government, using a national computer facility operated either by the Social Security Administration or the Internal Revenue Service. However, States could elect to perform the initial eligibility and intake functions, under agreement with the Secretary of HEW. The new jobs program was to be administered by local CETA prime sponsors, with governors being given authority to coordinate activities within their States. Thus, the basic responsibility for administering the cash assistance program rested with the Federal government. The basic responsibility for administering the jobs program rested with the States and localities, under Federal supervision. Financing of the cash assistance program was to come from both the Federal and State governments, with the States receiving fiscal relief, mainly as the result of payment by the Federal Government of a basic minimum benefit, and a special "hold harmless" provision. The jobs program was to be financed through Federal appropriations.

The cash program was designed to "provide a basic Federal benefit floor for all poor persons," as the Administration described it, and States were to be encouraged to supplement the basic Federal minimum payment. The bill provided for cash payments to those not expected to work because of age, disability, or the need to care for young children. It also provided for cash payments in the form of supplements to working persons whose wages were below specified levels, adjusted for family size. The aim was to provide a basic Federal cash payment of at least $4200 a year for a family of four with no parent who was required to work, and an income of combined wages and benefits at least equal to the poverty line for families who worked.

In an effort to provide an incentive for persons eligible for cash benefits to find and continue in employment, the Administration worked out a complex system under which benefits were reduced as earnings increased. The benefit reduction rates ranged from 50 percent to 70 percent, with the lower rates (and the greater incentives) going to those persons in the "expected to work" category.

The Carter bill also provided for a liberalization of the Earned Income Tax Credit as a way of supplementing wages for families with children. It did not include amendments to the Medicaid program. The Administration said that it would address the issue of medical benefits for needy persons in the national health insurance proposal that it planned to propose in the near future.

WORK PROGRAMS AND WORK REQUIREMENTS

Under the Carter proposal, the Secretary of Labor was given the authority to allocate appropriated funds to local CETA prime sponsors to operate work and training programs. Funds were to be used

* H.R. 9030, S. 2084

to operate job search programs, which the Administration testified it expected to be run largely by State employment security agencies, in cooperation with prime sponsors. The prime sponsors were also responsible for administering subsidized work and training programs, including public service jobs.

All programs were to be administered according to plans submitted by local prime sponsors. These plans were to be reviewed by the governors, and by State Manpower Services Councils. The Secretary of Labor was authorized to allocate funds to the governors to monitor and coordinate programs within their States.

The job search, employment and training programs were to be available to all applicants, without any income or assets requirements. However, only principal earners in two-parent families, and single parents with children were eligible for the 1.4 million public service jobs which the Administration estimated would be needed to accommodate all who applied for them. Individuals could be referred to such positions only after completing five weeks of job search. Wages were generally to be the Federal minimum wage.

The Administration's proposal mandated a work requirement for certain individuals as a condition of eligibility for cash assistance. Persons required to work included all adult individuals and couples without a child in the household, the principal earners in two parent families with one or more childern, and single parents with no child under age 14. Single parents with a child under age 7 were not required to work. Single parents with a child age 7 to 14 were required to work only while the child was in school. Benefits were to be denied to individuals who were required to work but who refused without good cause. Families with children were to receive a reduced benefit if a parent who was required to work refused to do so.

HEARINGS BY THE HOUSE SPECIAL WELFARE REFORM SUBCOMMITTEE

Because of its broad scope, the Better Jobs and Income Act was referred to three House committees and to two Senate committees. To accommodate this split jurisdiction, the House formed a special Welfare Reform Subcommittee, composed of members of the Committee on Agriculture, the Committee on Education and Labor, and the Committee on Ways and Means. Congressman James Corman (D.-Calif.), chairman of the Subcommittee on Public Assistance and Unemployment Compensation of the Ways and Means Committee, was designated as chairman of the new special subcommittee.

The subcommittee begain hearings on the Carter proposal in early September, only a few days after the bill was introduced. Congressman Corman began the hearings with a statement setting forth his own views of welfare reform. "The primary goal of welfare reform," he said, "should be to devise a better system of insurance against poverty and deprivation than we presently have." His statement continued:

> * * * A new system should be better in terms of providing more complete coverage and more equitable treatment of individuals and families in similar circumstances. It should be more work and family oriented, better integrated with other programs like social security and unemploy-

ment compensation, and more efficiently and effectively administered, than present programs.

Our welfare reform effort should produce a Federal income support system that insures all Americans against total poverty and deprivation. It should not insure just certain categories of people, and leave others without protection.

Welfare reform should be the concern of everyone. Most Americans, fortunately, will never experience total poverty, and will therefore never be forced to depend upon our national income support system. Everyone, however, should have the assurance and security of a minimum level of income support should their economic situation require it.

There are those within the society who are living in poverty and in need of assistance. These are the most deprived members of our society and include a large number of dependent children, aged, blind and totally disabled adults. We have tried in the past to alleviate poverty and this must be a key objective of this attempt to improve welfare programs. People should not go hungry in this country, or without needed health care, adequate shelter, educational opportunities, or meaningful work. Never again should a father who has lost his job be forced to abandon his family so they can be eligible for public assistance. We cannot justify or tolerate the immediate stress and permanent physical and emotional damage that accompanies (sic) poverty.

If our efforts do not result in more adequate employment opportunities and income assistance for the Nation's poor, we will not have reformed welfare. We will have failed.

Corman, however, made a point of defending the existing system:

> It distresses me greatly when people speak of the present income maintenance system as a total failure. Certainly, there are some deficiencies in the present system which should be corrected, but we must not overstate the deficiencies and overlook the strengths of the present system. The President's proposal, or any other welfare reform plan, should be assessed in light of the accomplishments of the present programs and with the intent of developing a better system of insurance against poverty.[82]

Although Corman emphasized the need for change in the cash benefit side of the welfare system, he observed that "Welfare reform will not solve all our economic problems. It will not," he said, "eliminate the need for sound economic policy, for sound and adequate social security and unemployment insurance programs, or for a universal national health insurance program." The success of an income support program, he commented, "will depend heavily

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[82] U.S. Congress. House. Welfare Reform Subcommittee of the Committee on Agriculture, Committee on Education and Labor, Committee on Ways and Means. Hearings on H.R. 9030. 95th Cong., 1st sess., Pt. 1, p. 3.

upon good education, manpower, job training, and other employment oriented policies and programs." [83]

In his opening statement to the Subcommittee, Secretary Califano emphasized both the cash assistance and the employment aspects of the President's proposal, saying "the time is now for fashioning a new system of providing employment and cash assistance to low-income Americans that is pro-family and prowork, antifraud and anti-abuse, equitable and efficient." [84]

A number of members of the subcommittee praised the Administration for the pro-family, pro-work character of the bill. The Administration was also applauded for the fact that the bill was designed to significantly reduce the number of persons living in poverty. However, questions were raised about the cost of the proposed program,[85] the reliability of estimates, and about whether recent results from income maintenance experiments supported the Administration's approach to the welfare problem.

In addition, a number of questions were raised about specific aspects of the employment and training component of the bill.

A recurring issue was one that Califano had raised in the House hearings in May. Should there be a job guarantee? The Administration did not include a guarantee in the bill. Secretary of Labor Ray Marshall defended the Administration's estimate that 1.4 million subsidized job and training positions would be sufficient to meet the need without providing a guarantee, saying:

> I would also like to emphasize that while no job guarantee is being made, it is the intent of the program to attempt to provide a sufficient number of job openings to meet the likely demand by workers for the jobs. A great deal of thought and effort has gone into estimating this demand since it is a difficult but important task.

Secretary Marshall continued by expressing the view that "A job program is, by its very nature, voluntary; even a rigorously enforced work requirement can't make people work." The estimated 1.4 million openings would be sufficient, he argued, because most poor and near-poor families would choose to retain their current jobs rather than take a newly-created subsidized job, or, in the case of one-parent families with small children, to remain out of the labor force to care for their families.[86]

Corman, however, later commented to the Secretary:

> We have never hesitated to give an open-ended entitlement for welfare. I think we might very well consider giving an open-ended entitlement for jobs.[87]

A second major line of questioning centered on how the Administration planned to move large numbers of persons into regular unsubsidized employment, as the Administration estimated its proposal would do.

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[83] Ibid., p. 4.
[84] Ibid., p. 9.
[85] The Administration estimated the total net cost of the bill in the first full year at $8.77 billion; CBO's estimate, made later, was $17.36 billion.
[86] Ibid., p. 248.
[87] Ibid., p. 256.

Secretary Marshall emphasized that the Administration expected large numbers of individuals to find work in the regular economy as a result of an 8-week job search requirement. Several members expressed concern, however, about whether the job search requirement would have the expected effect of moving individuals into unsubsidized employment. Congressman Daniel Akaka (D.-Hawaii) asked the Secretary how he planned to develop and encourage regular economy employment, as the Administration claimed it would do.

Secretary Marshall responded:

> Well, overall, of course, we hope that our economic stimulus program will stimulate the private sector. We also think that we must continue to do whatever we can to aid consumer and business confidence so that the economy will expand. If we assume that the overall economy is expanding appropriately, there are a number of other things we can do to establish linkage between the public service jobs and the private jobs.[88]

Congressman Theodore Weiss (D.-N.Y.), expressing concern about requiring a period of job search before offering a subsidized job, particularly in areas of high unemployment, said:

> I just think we really ought to be—thinking about guaranteeing jobs rather than saying you have to look for the job that we all know is not there.[89]

Congressman Augustus Hawkins (D.-Calif.) questioned Secretary Marshall about the possibility that the subsidized job program might create a secondary labor market:

> Do you believe that there are sufficient guarantees in the proposal to make sure that the proposal is not going to have an adverse impact on wages and the labor market? Are you confident that the proposal may not be used in order to keep low-paying, dead-end, meaningless jobs in the private economy just where they are now? Are you confident that this proposal will insure against an individual being confined to the secondary labor market? * * *
>
> I see nothing in the proposal that suggests any guarantee that these protections will be offered.[90]

In his response, Secretary Marshall said that the Administration considered it important "to assure that people not be restricted to only these public service jobs, but would also get training. We also would try to provide linkages with private sector jobs through job search activities, placement, training, in order to promote upward mobility." He expressed the belief that by creating jobs of the magnitude envisaged by the Administration bill "we would also greatly improve the private sector jobs as well." The program would create competition for labor, he said, and would create options for people that they currently did not have, and therefore, they would not be

[88] Ibid., p. 264.
[89] Ibid., p. 244.
[90] Ibid., p. 252.

forced to take many of the jobs which were currently in the private sector.[91]

Congressman Hawkins also raised the question of how it would be possible under the proposal to maintain equal pay for equal work.

Arnold Packer, Assistant Secretary of Labor for Policy, Evaluation and Research, assured him that established wage rates would be preserved:

> We clearly have to have equal pay for equal work. There are a number of ways in which we can reconcile the minimum wage provisions with the restriction that there be equal pay for equal work. The most important of these is the desire to look for work that is not being done right now. We think there is considerable work that is not being done right now.
>
> Also, there is enough flexibility with regard to training so that people can spend, (sic) some of the 40 hour week in a training situation. If there is a lower stipend for the training hours, the wage for the hours actually engaged in productive work would be somewhat higher.[92]

Congressman William Goodling (R.-Pa.) raised the question of the delivery system that the Administration said it anticipated would be used for the job search program, suggesting that the prior record of the local employment offices did not lend confidence to their ability to perform as was hoped.[93]

REPORT BY THE WELFARE REFORM SUBCOMMITTEE

The Welfare Reform Subcommittee conpleted marking up the President's welfare reform bill in early February, 1978. On February 15, Congressman Corman, with 16 co-sponsors, introduced a clean bill, H.R. 10950, that incorporated the subcommittee's changes. There were amendments that had the effect of increasing some benefit levels, as well as amendmens that increased benefit reduction rates for certain families in the 'expected to work" category. However, the bill followed the Administration's proposal in most major respects. It was again jointly referred to the Agriculture, Education and Labor, and Ways and Means Committees for full committee consideration.

In the meantime, the chairman of the Ways and Means Committee, Al Ullman (D.-Ore.), had prepared an alternative to the Administration's bill. In a statement on the floor of the House on February 2, Ullman said:

> The President has offered a plan in the spirit of welfare reform. But, we cannot afford to spend an extra $20 billion without threatening general economic recovery. We cannot go on trying to buy reform.
>
> The Administration has fallen into an old trap. It is convinced that we can make poor Americans happy and

[91] Ibid., pp. 252-253.
[92] Ibid., p. 423.
[93] Ibid., p. 276.

secure by giving them a guaranteed national income based on family size and earnings. To accept that concept is to perpetuate the "welfare syndrome."

* * * * *

By contrast, my proposal is comprehensive, but can be put into effect one piece at a time. It repairs existing programs in a sensible, economic way—rather than tearing down the entire system and rebuilding it at enormous cost and disruption.

The bottom line of my program is jobs—with heavy emphasis on putting people back to work in the private sector.* * *

* * * * *

My welfare plan is essentially an employment plan. It focuses on private sector jobs. We do not have the money or the experience to open up a million new public jobs. [94]

* * * * *

SENATE HEARINGS—THE FINANCE COMMITTEE

Senate hearings on the Administration's bill began in February 1978, almost immediately after the House Subcommittee on Welfare Reform had approved, with amendments, the President's Better Jobs and Income Program.

Senator Daniel Patrick Moynihan (D.-N.Y.), chairman of the Public Assistance Subcommittee of the Finance Committee, began his questioning of Administration witnesses by asking for evidence that, as the Administration claimed, the present welfare system encouraged family splitting, and that the proposed program would change this. In his response to the Senator's question, Secretary Califano, among other points, mentioned the importance of the proposed jobs program in bringing about this anticipated change:

The exchange between Senator Moynihan and Secretary Califano went in part as follows:

> Senator MOYNIHAN. We are going to look closely at this program because some social change will follow. We make a claim for doing so, that this is something that has to be done, because the existing system has effects on the lives of adults and children which are deleterious. Since Government has created that system, Government clearly has a responsibility to change it.
>
> And yet, what is the evidence? What do you know?
>
> This afternoon Mr. Plotkin of the Census Bureau is going to testify that the principal reason for the persistence of poverty in the United States in the face of extraordinary increases in social spending is an increase in female-headed dependent families.
>
> And in terms of the numbers of children involved, the increase in female-headed families is about equally divided

[94] Congressional Record. House. February 1, 1978, p. H2139.

between those which come about because of divorce—although divorce settlements commonly involve situations which provide for children—and because of families that never formed. I am sorry. That is not a very clear statement. They are the children of unmarried females, and therefore there are no family-splitting incentives. There may be incentives in the existing system not to form families.

But in any event, the central fact of dependency in America in the face of the poverty program and the this program and the that program, is its persistence. And it is asserted that this program will change it—that the existing program has helped create this situation, and the proposed program will change it.

Mr. Secretary, what evidence have you?

Secretary CALIFANO. Mr. Chairman, let me go at that both in terms of data and in terms of commonsense, if I may.

It is obviously very difficult to determine the extent to which a cash incentive is the dominant or significant element in a decision between two people to break up their marriage or a decision by an individual never to get married, in effect, and have children.

There is, in the present system, a substantial cash incentive for a father who believes it is important to provide food, shelter, some funds for his family, to leave. In some States there is a difference of several thousand dollars in terms of the income to that family whether he stays with them or not.

Second, where unemployment is high and where income is low, in the hearings that Senator Mondale has run when he was chairing the subcommittee, there was substantial testimony and evidence—Walter Reuther was among the people who testified—to the effect that there was an increase in family breakup, in child abuse, in domestic violence within the family.

Third, we have a Seattle-Denver income maintenance experiment, which indicated several things, none of which, I must say in all candor, was indicated that clearly. The experiment was not that large and it was not aimed at this subject.

Nevertheless, it offers this kind of conflicting evidence. In a statistical basis, marriage disruption due to divorce, desertion, or separation was more likely, in that experiment, upon families who had been on welfare previously and were going on welfare under the system we used.

Second, reconciliation was more likely for those families who received the cash assistance payment when the father and mother stayed together than it was for those families who were under the traditional AFDC single-family system for cash assistance.

Third, and we are looking at this, in fact, assembling a group of experts to look at it, there was evidence that those families who received cash assistance broke up as

much, if not more, than those combined families who did not receive cash assistance.

So it is—I cannot say that we have, out of that experiment, any clear evidence one way or the other. All of those elements that I mentioned are statistically in that study.

I think as central to the cash assistance for the whole family, in terms of the pro-family aspect of the President's program, is also the jobs program. It is the individual, the breadwinner in the family's having the opportunity to get trained for work and to work, and that that is as important a component as is the fact that you receive a cash payment when the family is together.

Senator MOYNIHAN. Mr. Secretary, with respect, sir, that is not a persuasive answer. I want to hold on this, and I will ask that my colleagues bear with me a moment, because it is important.

First of all, to speak sir, we asked you about evidence, and you come back and say commonsense.

Secretary CALIFANO. Well, let me, Mr. Chairman, if I may, give you the other piece of information. I left out perhaps the most important piece of data, to the extent that you can get data here, we analyze the 1970 case-closing data in AFDC cases, and the AFDC cases closed due to marriage or reconciliation were 100 percent higher in States which had the UF program, in which the payment was made to the father and the mother when they were together, than in States which did not have the UF program.

Senator MOYNIHAN. That suggests something, surely.**

Senator Moynihan also questioned the Administration about the effect on work effort of the proposed cash benefit program, and referred to findings that had been submitted to the Subcommittee by the Department of Labor that indicated a substantial reduction in work effort under a certain specified combination of cash benefit levels and benefit reduction rates. Jodie Allen, special assistant the Secretary Marshall for welfare reform, responded by differentiating the President's proposal from the program that had produced the findings. Ms. Allen, emphasizing the importance of the job program, said:

> The findings reported in our answers pertain to a program which is only a cash assistance program, which would apply a 70-percent benefit reduction rate to all recipients irrespective of family status and which had no job component associated with it.
>
> Now, the administration's program, as you know, departs from those features in a very important way. First off, the administration program restricts the benefit reduction rate to about 50 percent for expected-to-work families, and that is a very important feature. Furthermore, it has a lower tier benefit feature which provides a lower benefit

** U.S. Congress. Senate. Committee on Finance. Subcommittee on Public Assistance. Hearings. Welfare Reform Proposals. 95th Cong., 2nd sess., Pt. 1, pp. 33-34.

for "expected work" families if the family is not working than is provided to families who are not expected to work and which also provides a generous disregard of earnings for such families when they do go to work.

Now, these are very strong work incentive features, compared to the type of program for which results were reported in our answer.

Second, of course, and most importantly, we have a job program which offers a positive incentive to work and also an earned income tax credit which has that same feature, too. Its benefits increase with earnings, rather then decrease.

The job program alone will provide some increased job opportunities for low-income familes such that the hours worked by families will increase more than any reductions which might be associated with the relatively modest level of cash supplementation proposed.

So that we feel that the combined features of the program, the job program and the carefully coordinated cash assistance benefits, are very pro-work effort in their orientation and that the labor supply reduction result reported will not occur under the administration program. That is, if there were any work effort reductions, they would be very modest and be much more than offset by the increased work effort associated with the job.

But it is true, that modifying the features of the cash assistance, raising the benefit reduction rate, cutting back on the job opportunities, changing the earned income tax credit, can very easily lead to a situation where you have turned the whole program around and that is why these things are so tricky.

Senator MOYNIHAN. Right. Could I ask you to give me the name of the experiment where this work reduction came up?

Ms. ALLEN. These are the findings reported by the Seattle and Denver income maintenance experiments. The analysis for that experiment was done by the Stanford Research Institute.[96]

Senator Long returned to the question he had raised in the FAP debate some years earlier, and in the May 1977 hearings—why not provide a job instead of welfare? He countered Secretary Marshall's expressed concern that a guaranteed job proposal might result in so many applicants that the cost would become very high, saying—"if the job is reasonably demanding and you expect something for your money—then you are not going to have all that many people standing in line to take the jobs * * *."

This is what I mean. You assume that creating 1.4 million subsidized jobs will be enough, but if it turns out that 1.4 million jobs are not enough, the money is not provided to go beyond that. Getting more money for the jobs part will be tough, and jobs can only be provided to the extent

[96] Ibid., pp. 159–160.

that the funds are available—but if the jobs are not available, the welfare payments go up automatically.

In other words, the welfare side of the bill is open-ended, while the jobs part is subject to a closed end. Would it not be better to take the approach that Congress would prefer to see people working rather than to see people sitting idly, being paid to do nothing?

If we are going to take an open-ended approach, why not guarantee everybody a job opportunity in preference to guaranteeing everybody a welfare payment?

Secretary MARSHALL. Well, this was a very serious thing that we tried to work out, of course—how many jobs will be needed and whether or not you could have a job guarantee.

We made the very best estimate that we could in arriving at the requirement on that 1.4 million jobs. We also, of course, are trying, in the CETA reauthorization, to take care of other job needs—if unemployment is really higher than we think it is, for example, then we believe that we ought to have a trigger that would make more jobs available as unemployment rose.

We also think that we have some time to find out, following up on one of your ideas when we talked with you earlier, we think we ought to do some experimenting with that question, and to try to see whether or not the jobs program, as we have outlined it, would work or whether we would, in fact, get swamped with so many applicants for these jobs that the cost would become very high.

So we have, in our fiscal year 1979 budget request, asked for funds to provide for some carefully controlled demonstration projects to test some of these ideas. Now, it could well be that when we get through with those projects, our conclusions would be firmer about how many jobs we are going to need and whether or not the program will work the way that we think it will.

And fortunately, we have some time to be able to answer some of those questions. We have also tried to find out as much as we could so far from the CETA buildup and have studied it very carefully to try to find out what the experience under welfare reform would be.

But we feel that the best way we can proceed is to make these estimates about how many jobs we would need as carefully as we can, and to also undertake some demonstration projects.

We are comfortable with the estimates that we have made and with the safeguards that we have developed. There is a fear that to do it otherwise is to accept the idea of a job guarantee and that would cause the cost of the program to be too great.

Senator LONG. Well, I have not been sold on the idea that we ought to federalize the welfare program. I find myself thinking that it would be simple to give the money for the program to the average mayor or county commissioner or, in Louisiana, to a police jury. We would tell

them they could spread that money around, if they wanted to, by sending the people on welfare a check for income maintenance.

On the other hand, if they prefer, they can pay those people to do something that is useful to the community, anything that might make it a better community to live in, improve the environment, make it a little safer, or provide better guidance for the children, just anything.

My experience is that the average mayor, I would say 99 percent of them, and 99 of those police jurors would pay that money to these people to do something. They would give them something to do.

It might be that those jobs were not the most efficient jobs in the world, but they would feel that it was better for the people, and it was also better for the society, for those people to be paid to do something.

We have not been able to get that thinking through over there at the Department of Health, Education, and Welfare. They are still working on the theory that people are poor because they do not have money, and the way to solve that problem is to mail them a check.

My reaction to that is to agree that you can mail them a check all right, but if you try to solve the poverty problem that way, as fast as you expand the rolls, you are going to have more applicants standing in line to get on those rolls.

On the other hand, if you provide them with jobs, and what they are doing is a meaningful contribution to society for their pay, if the job is reasonably demanding and you expect something for your money—then you are not going to have all that many people standing in line to take the jobs, so there will be less pressure on the funds available and you can make the money go further.

Later in this exchange with Secretary Marshall, Senator Long commented:

> * * * It just seems to me, Mr. Secretary, that we have no business paying any citizen to sit there and do nothing, just to sit there and vegetate, if we have the option to pay that person to make a useful life and to be a useful citizen. I think that the test of whether the program is a success or not is the extent to which it reduces dependency.[97]

SENATE HEARINGS—THE COMMITTEE ON HUMAN RESOURCES

The Senate Committee on Human Resources, to which the Administration's bill had been jointly referred, also held hearings soon after the House Subcommittee had completed its action. In his presentation to the committee, Secretary of Labor Marshall spelled out more specifically than previously his rationale for the jobs component of the Administration's proposal. He described it as "a major step—the first major step—in attacking the corrosive prob-

[97] Ibid., pp. 170–172.

lem of chronic unemployment and under-employment among family breadwinners."

The Secretary continued:

> The employment opportunities program is also an integral part of the administration's income maintenance strategy. There are four salient advantages to an employment approach to income maintenance.
>
> The first is that, by providing incentives and opportunities for work and training, a jobs approach builds human capital and self-sufficiency. In doing so, the long-term need for income maintenance programs is minimized and this, in turn, provides the only hope for real fiscal relief from welfare costs by all levels of Government.
>
> The second advantage is that, in the process, useful goods and services are provided for the whole community and, in particular, for low-income communities.
>
> The third advantage is that the community services thus developed can, in turn, improve the conditions which allow people to go to work, for example, by providing day care or special transportation services, or which attract or retain employers in the community, for example, by improving public safety and community facilities, and these further reinforce the goal of reducing economic dependency.
>
> For example, a fully implemented welfare reform jobs program has the potential for providing local communities the equivalent of a $1.2 billion child care program; a $1.6 billion program of home services for the elderly and ill; a $200 million program to build facilities for the handicapped; a $2.4 billion program to aid public schools; and a $900 million public safety program.
>
> But perhaps the most important single advantage to an employment approach is that it can assure a far higher total income than is possible through a cash assistance program alone. It is estimated that assuring even a poverty-line income for families with children through a cash assistance program while retaining even modest incentives for work effort, would cost upward of $30 billion. This estimate includes $6.5 billion in increased benefit costs caused by the fact that the covered population will reduce earnings by over $14 billion. Providing the same income through a work opportunity program, in combination with a carefully coordinated supplemental program of cash assistance, costs a fraction of that amount.[98]

Secretary Califano also told the committee that the jobs and cash assistance components of the President's proposal were each vital to the success of the other.

Most of the questions directed toward Marshall and Califano were similar to those that had been raised in earlier hearings. A major concern expressed by Harrison Williams (D.-N.J.), chairman of the committee, was that the task of coordinating the new pro-

[98] U.S. Congress. Senate. Committe on Human Resources. Hearings on S. 2084. 95th Cong., 2nd sess., pp. 169–170.

gram with the jobs and services already being provided by other agencies of government would create great administrative complexity.

Secretary Marshall observed that the CETA mechanism would be used to coordinate all programs, and that the Administration hoped to get ready for full-time implementatoin of the new program through conducting demonstration projects. In particular, he said, the Administration wanted to use the demonstrations to verify the accuracy of its estimates of the jobs demands under the President's proposal. The estimate of 1.4 million jobs needed to meet the demand, said Secretary Marshall, "needs considerable refinement." In addition, he said, the Administration needed to develop and evaluate alternative methods of creating employment and training opportunities, and to evaluate the adequacy of overhead allocations, training and placement activities. Finally, he said, "we need to try out methods of improving private participation and stimulating private sector placements."[99]

In response to a question from Senator John Chaffee (R.-R.I.), Califano complained about the action that had been taken by the House Subcommittee on Welfare Reform to raise the benefit reduction rates, and therefore reduce the work incentives below those proposed by the President:

> Now, one of our problems with the legislation, passed out of the House Welfare Reform Subcommittee, although it generally follows President Carter's proposal, is that they sharply escalate these benefit reduction rates to well over 80 percent. That gives us concern in the context of how much incentive is left for somebody to work. I am sure it will be an issue in this committee as it has been in the House.[100]

THE 95TH CONGRESS ADJOURNS WITHOUT ACTION ON WELFARE REFORM

Although many in the Congress were enthusiastic in embracing the concept of welfare reform, there was insufficient consensus of opinion to bring about enactment of a bill. The opposition of the Chairman of the Ways and Means Committee to the Administration's bill, and the introduction of his own more narrowly constructed bill, illustrated the lack of consensus in the House of Representatives. In the Senate, there was also division. The statements by Senator Long, chairman of the Finance Committee, indicated his preference for an approach to welfare that differed markedly from that of the Administration. Minority leader Howard Baker introduced an alternative measure in the Senate, which, like Ullman's bill, provided for an expansion of the AFDC program, and of public services jobs, but not for a total restructuring of the welfare "system."

Many of the issues that were debated in the 95th Congress were the same as had been debated during the Nixon Administration. As the quotations from the hearings indicate, for many Members of the Congress, the issues were unresolved and neither House of the

[99] Ibid., pp. 175–176.
[100] Ibid., p. 274.

Congress gave its approval to any of the Carter welfare reform legislation.

CARTER'S "MODIFIED WELFARE REFORM PROGRAM"

The Better Jobs and Income Act was not resubmitted by the Carter Administration in the following 96th Congress. Instead, the Administration submitted what Secretary Califano described to the House Public Assistance Subcommittee as a "modified welfare reform program." The basic goal of the program, said Secretary Califano, "provides jobs for those who can work, cash assistance for those who cannot." [101]

The proposal presented in 1979 was far narrower in scope than the 1977 proposal. It was divided into two separate bills—a cash bill and a jobs bill. Instead of creating a new single cash assistance program for all poor individuals and families, it retained the existing AFDC, food stamp, and SSI programs, although with modifications. The cash bill established a Federal minimum benefit level for families with children that, when combined wih the value of food stamps, equaled 65 percent of the poverty level. Working families were also to receive additional cash through an expansion of the earned income tax credit. Single individuals and couples without children were not given cash benefits, but remained eligible for food stamps.

The AFDC program coverage was expanded by requiring that all States extend cash payments to two-parent families eligible on the basis of a parent's unemployment. The unemployed parent eligibility rules were liberalized by eliminating the requirement that the parent must have a prior work history before becoming eligible for AFDC, and by liberalizing the definition of what constituted unemployment. However, the Administration included a provision that was designed to make the unemployed parent program more work oriented: if, after a two-month job search period, the unemployed parent was unable to find regular employment, he was to be placed in subsidized public service employment or training. If this was not possible, the family would continue to receive cash payments, but the Secretary of Labor would have to make a monthly redetermination of the parent's employment status.

States that had not previously provided cash benefits to two-parent families that were unemployed were not required to extend Medicaid to the newly eligible population. In addition, the disregard of earnings for unemployed parents was less generous than that provided for single-parent families, and States were given the option of providing a lower needs standard to two-parent families than they provided to families headed by a single parent (although not below the federally-set minimum benefit level).

The new bill generally retained the prior law provisions requiring specified individuals to participate in WIN and to accept work. The 1977 Carter proposal that required single parents with a child age 7 to 14 to work only while the child was in school, was dropped from the 1979 bill. The penalty for refusal to participate in WIN

[101] U.S. Congress. House. Ways and Means Committee. Subcommittee on Public Assistance and Unemployment Compensation. Hearings on H.R. 4122. H.R. 4321, and H.R. 4460. 96th Cong., 1st sess., p. 3.

was tightened by eliminating the WIN 60-day counseling period before benefits could be terminated, and by providing a minimum 45-day penalty period. However, the bill added a provision specifying that a recipient would be considered to have good cause for refusing a job if the work would cause him to have a lower income than he could otherwise receive from AFDC and in-kind benefits combined.

The jobs bill that was submitted by the Administration called for the retention of the WIN program. It also amended the Comprehensive Employment and Training Act to provide a new public service employment and training program. It was envisaged that the job search function would be provided by WIN, and the subsidized work and training function would be performed by CETA prime sponsors, with the governor given authority to coordinate programs within the State. Administrative arrangements were similar to those in the 1977 proposal. The Administration estimated that there would be 400,000 new CETA jobs provided under the proposal, 1 million fewer than proposed in 1977.

HOUSE HEARINGS—PUBLIC ASSISTANCE SUBCOMMITTEE

The Administration's new cash welfare reform proposal was introduced in the House on June 5, with Congressmen Corman and Ullman as co-sponsors. The Subcommittee on Public Assistance and Unemployment Compensation began hearings on June 15. In his statement to the subcommittee, Secretary Califano observed:

> I make no claim that poverty will cease to be a problem if this legislation is passed. But it can make an important difference. It is for the poor children of the Nation and for their parents, that I urge the Congress to act promptly on these proposals.[102]

Califano told the subcommittee that the Administration regarded the cash bill and the jobs bill as "complementary," and urged the passage of both.

Because the jobs bill had been referred to another committee, the Committee on Education and Labor, there was little discussion of that aspect of the welfare package in the Corman subcommittee hearings. However, during the questioning, Corman had an exchange with Califano during which he expressed the view that the welfare portion of the proposal should not be held back even if the jobs proposal was not acted upon.

> Mr. CORMAN. Mr. Secretary, let's look just a moment at the jobs portion of the bill. Although I am extremely hopeful that the jobs proposal will pass, let us assume for a moment it will not. Isn't it true that it is cheaper to provide people with welfare than it is to provide them with a job?
>
> Secretary CALIFANO. In the short run it is less expensive. As you indicate, we feel strongly that we would much rather have—want the jobs part of the program.

[102] Ibid., p. 7.

Mr. CORMAN. I agree with you and I hope that the committee's that have jurisdiction will succeed in this endeavor. I would not like us to work under the assumption that because the jobs portion doesn't pass, then the welfare portion is too expensive. The truth of the matter is that it is cheaper to leave people on welfare. This should not be an acceptable system in our society and we should not hold back on some reasonable modest benefit level just because those dollars go up and we don't spend dollars to put people to work.[103]

HOUSE HEARINGS—SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES

When Secretary of Labor Marshall testified before the House Subcommittee on Employment Opportunities in October 1979, he told the subcommittee that "We believe that this job component is an essential component of welfare reform and, therefore, urge this committee to give early and favorable consideration * * *."[104]

The Secretary commented on the relevance of employment programs to solving the problem of welfare dependency, saying that "they indeed can be effective in reducing welfare dependency and providing work opportunities for people." He gave a number of benefits that he said could be derived from moving people into employment:

> The trends that we have studied suggest that while we must continue to improve the adequacy of our welfare programs, we must also work to insure that reliance upon such programs is minimized among those people with potential for self-support. There are several obvious benefits to be derived from this approach.
>
> The first and most important is that by helping people to secure adequate paying stable jobs, we can provide them with the opportunities to obtain a far higher income for themselves and their families in both the short and the long run.
>
> The second benefit is that by reducing welfare caseloads, not only can we reduce taxpayer burdens but we can also use some of the savings to improving benefits for those unable to help themselves.
>
> Finally, by assisting the formerly dependent to become employed, we can expand the supply of useful goods and services produced in our society. We believe that there is an extensive array of things, that people can do that will not be done in the absence of such a program.
>
> Getting people to work by improving their skills and opportunities is also the only way to fight both inflation and unemployment simultaneously. You know very well, Mr. Chairman, unemployment is inflationary, and we believe that by putting people to work we can increase the supply

[103] Ibid. p. 21.
[104] U.S. Congress. House. Committee on Education and Labor. Subcommittee on Employment Opportunities. Hearings on H.R. 4425 and H.R. 4426. 96th Cong., 1st sess., p. 48.

of goods and services, as well as reduce welfare dependency.[105]

During the hearings the question of providing entitlement to a job was brought up, as it had been during hearings in the 95th Congress. Chairman Hawkins argued that an entitlement such as he proposed in a bill that he had introduced was "not contrary to our drive to balance the budget, to do something to reduce inflation, and to make people productive members of society."

> You, Mr. Secretary, have always maintained that unemployment is inflationary, yet in this instance we are giving those on welfare a cash benefit which is certainly, according to your own reasoning, much more inflationary, because they will be receiving this income and they will not be producing anything.
>
> In effect, then, the proposal would be inflationary to that extent and also less beneficial to those individuals as compared with those who are going to be given jobs.
>
> So it would seem to me that this is rather inconsistent in terms of the very philosophy that you advocate and certainly the subcommittee does. Also, the conclusion that in some way a cash benefit is much more desirable than a job is inconsistent to me.
>
> It would just seem to me this is upside down reasoning, and that we should give more thorough consideration to this question. That is why the bill introduced by Mr. Perkins and myself is based on an entitlement, because we thoroughly believe that the time has come to recognize that giving people jobs is not contrary to our drive to balance the budget, to do something to reduce inflation, and to make people productive members of society.
>
> I would hope the administration will also consider the fact that in advocating cash benefits as opposed to jobs that they are traveling in the opposite direction. I wonder if you would like to comment?

In response, Secretary Marshall stated that the Administration had to start with some priorities, and that they were providing an "estimated entitlement." He also raised the question of added cost.

> Well, it seems to me what we have to do is start with some priorities and get done what we can do and then build, and that we will essentially be providing an estimated entitlement, I guess is the way you put it, to the AFDC eligibles, but not to the larger population. And we think in terms of administering it and getting it started it makes sense to start this way.
>
> There is also the question of the added cost. * * *[106]

Questioning by subcommittee members reflected a general concern that the new program proposed by the Administration might result in a shift of services away from other needy persons who

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[105] Ibid., pp. 49–50.
[106] Ibid., p. 73.

were currently being served in programs under the Comprehensive Employment and Training Act.

The Subcommittee held a second set of hearings several months later, in February 1980, but took no further action on the bill.

THE "CASH" BILL MOVES THROUGH THE HOUSE

The Administration's "Social Welfare Reform Amendments of 1979" as amended, were approved by the Subcommittee on Public Assistance and Unemployment Compensation and forwarded to the full Ways and Means Committee on July 23, 1979, in the form of a clean bill, H.R. 4904. On September 14 the legislation was approved by the full committee and ordered reported. Although both the Subcommittee and the full committee approved amendments to the bill, the amendments did not change the basic structure of the Administration's proposal.

The report included the dissenting views of Republicans. Nine Republicans joined in signing one of the statements criticizing the committee bill. They urged passage of their own block grant welfare reform alternative. They argued:

> H.R. 4904 has been touted as merely an incremental change in the existing system rather that a comprehensive attempt to institute a universal guaranteed income redistribution scheme. This is a deceptive statement. There is little doubt that its supporters see H.R. 4904 as a major step toward their ultimate goal: the establishment of a single federal system which can serve as the fulcrum of a massive redistribution of income. Passage of this bill will be only a beginning, not a closing of the welfare reform debate.
>
> * * * * *
>
> Provision of benefits for two-parent families is required under the bill if the family's principal earner is unemployed (i.e. earning less than $500 a month). A major reason that half the States have not covered two-parent families is the ineffectiveness of the work requirements they are permitted to impose. Rhetoric to the contrary notwithstanding, H.R. 4904 does not strengthen these work requirements. In families where the principal earner refuses a job, benefits will continue to be paid for another month. In such cases, the other parent can volunteer for work and thereby keep all the family except the principal earner on the welfare rolls, even though the second parent may have no employment skills or experience. The bill does not permit States to require that recipients work for their benefits. Finally, the work requirements can only be effective when jobs are available. The companion bill to H.R. 4904 intended to provide these jobs for welfare recipients has not progressed in the legislative process and cannot be relied upon to fill this crucial gap. Thus, the committee's estimate that an additional 100,000 two-parent families will receive benefits under this provision substantially un-

derstates what its full impact is likely to be, particularly in times of recession and high unemployment.[107]

On November 7, 1979, H.R. 4904 passed the House by a vote of 222–184.

HOW TO THINK ABOUT WELFARE REFORM FOR THE 1980'S

Although the cash portion of the Administration's 1979 proposal moved relatively speedily through the House, and the jobs portion at leas had hearings, the response in the Senate was markedly different. Neither the Committee on Finance nor the Committee on Human Resources held legislative hearings on the two bills.

However, Senator Daniel Patrick Moynihan, Chairman of the Subcommittee on Public Assistance, held hearings in February 1980 during which the Administration's proposals, along with others that had been introduced, were a subject of discussion.

In his opening statement, Senator Moynihan said:

> The stated topic of these hearings is: how to think about welfare reform for the 1980's. Implicit in that phrase is a hypothesis that we shall test during the course of these two days: the possibility that the assumptions, objectives and analytical modes that have characterized most deliberations about welfare reform for the past decade and more may not be adequate or appropriate for the years ahead. To examine this proposition which I offer only as a hypothesis, not as a conclusion—we have invited a number of distinguished witnesses who have knowledge about various facets of the subject and various perspectives on it.[108]

Although the hearings did not focus on any particular proposal for welfare reform, they did cover a range of issues that were involved in a number of pending bills. The issue of fiscal relief was of particular interest to Senator Moynihan, and he criticized the Administration's proposal for not offering sufficient fiscal relief to States and localities.

In an exchange with John Palmer, Acting Assistant Secretary for Planning and Evaluation of HEW, Moynihan also raised the question of the difficulty of passing the cash part of the Administration's proposal, which had the effect of greatly increasing the welfare rolls in some States, without also moving forward on the employment portion of the proposal. Referring to the State of Texas as an example, the Senator commented as follows:

> Senator MOYNIHAN. There would be another increase of approximately 40 percent in AFDC costs for those who are between the current level and 65 percent, and then there would be about 70,000 families who are two-parent families who have low incomes and who do not now receive benefits because Texas does not have the AFDC–U program.

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[107] U.S. Congress. House. Committee on Ways and Means. Report on H.R. 4904. 96th Cong., 1st sess., Rept. No. 96–451, Part 1. Sept. 30, 1979, pp. 274–275.

[108] U.S. Congress. Senate. Committee on Finance. Subcommittee on Public Assistance. Hearings. How to Think About Welfare Reform for the 1980's. 96th Cong., 2nd sess., p. 3.

Remember, you are going to have to explain that. I will do my best, and fortunately the Senator from Texas is very concerned with persons who are poor, but you are increasing the number of persons on welfare all over the southern United States.

Mr. PALMER. That is correct. I think the point I would like to emphasize with the Senator from Texas is that for the two-parent families it is simply the provision of a temporary safety net.

The major emphasis is on trying to find job placements and then if we cannot do that, to find adequate subsidized public service employment and training slots.

Senator MOYNIHAN. The trouble is that our employment bill has not passed.

Mr. PALMER. I think that it is important to consider both of these bills in this context.

Senator MOYNIHAN. I am going to say something awful. Would you think it best if we put off considering this one until we see the employment bill?

Mr. PALMER. I think that the provisions that are in the cash bill, in and of themselves, merit serious attention independent of the jobs bill, but I also would hope that the Senate would consider both of them.

Senator MOYNIHAN. Yes. I want to assure you I completely agree. * * * [109]

The Senate took no further action on welfare reform during the 96th Congress.

J. EFFORTS TO AUTHORIZE JOB SEARCH AND MAKE OTHER CHANGES IN THE WIN PROGRAM

Following enactment of the 1971 WIN amendments, the Administration began exploring ways to implement the mandate that the WIN program be structured so as to place increased emphasis on job placement rather than on institutional training. A decision was made to establish a new component in the WIN program that would require recipients to engage in job search activities. Proposed regulations to this effect were published in the Federal Register on September 18 and 19, 1974 by both the Department of Labor and the Department of HEW. The proposed regulations required the participation in job search activities of two categories of AFDC recipients—those who were required to register for WIN services, but had not yet been certified by the welfare agency as ready for employment, and those who had been certified but were not otherwise actively engaged in a WIN job or training component.

A year later, September 18, 1975, the Department of Labor withdrew the proposed regulations. Citing the unfavorable comments that the Department had received as the reason for the withdrawal, the Department described the principal allegations and concerns as follows: "(1) a lack of statutory authority and national guidelines, (2) ineffectiveness as a result of high unemployment, (3)

[109] Ibid., p. 393.

unemployability of some registrants, (4) lack of prior supportive services and (5) the burden on WIN staff."

That same fall the Finance Committee reported an original bill, S. 2804, providing for a program of "employment search" for AFDC recipients. A modified version of the amendment was later added as a Senate floor amendment to H.R. 10727, a parliamentary maneuver undertaken to accommodate committee jurisdiction divisions in the House.

Chairman Long offered the following explanation on the Senate floor:

> Mr. President, the Finance Committee has reported an original bill making changes in the work incentive program. These changes were sought by the Labor Department. Since reporting the bill, we find that some of the provisions fall within the jurisdiction of the House Education and Labor Committee and some provisions fall within the jurisdiction of the House Ways and Means Committee. In order to accommodate this split jurisdiction in the House, I am offering the Ways and Means Committee portion of the committee bill as an amendment to the social security bill.[110]

As Senator Long's statement indicated, the committee amendment had been developed in consultation with the Labor Department, which wanted statutory authority to implement the kinds of activities that it had sought to implement in issuing the 1974 regulations. However, House Ways and Means conferees rejected the Senate's employment search amendment. The amendment was reported again by the Finance Committee in the 95th Congress (H.R. 7200), but again failed of enactment.

During the 96th Congress the Finance Committee once more reported the amendment, this time as part of H.R. 3236, the Disability Amendments of 1980. The amendment was accepted by the House conferees with some modification, and was enacted in May 1980.*

The 1967 WIN legislation had been written in such a way as to authorize the Department of Labor to require AFDC recipients to register for and participate in a wide range of employment-related activities, including placement in regular employment, on-the-job training, work experience, public service employment, and others. The 1980 amendments specifically authorized the Department to add a new component—employment search—to the program. The amendments retained the provision in prior law that no penalty could be imposed against a recipient for failure to participate in any work and training activity prior to certification by the welfare agency that the individual was ready to engage in such activity. However, they authorized Federal matching for "necessary social and supportive services," including services needed to participate in job search activities (such as child care or transportation), for applicants and recipients who voluntarily agreed to participate prior to certification. This change allowed the Labor Department to

[110] Congressional Record. Senate. Dec. 17, 1975, p. S22630.
*P.L. 96-265.

provide job search services to applicants and recipients immediately upon registration with the WIN program.

In addition, the amendments provided for tightening the WIN penalty provisions. The language previously in the law allowed assistance to be terminated only "for so long as" an individual refused without good cause to participate in WIN. WIN regulations originally had interpreted the law as allowing sanctions to be applied to a particular period—90 days in the case of first refusal, and six months in the case of a second or any subsequent refusals. However, as a result of a court interpretation these regulations had to be changed to apply the sanction for the period literally specified in the law—"for as long as" there was failure to participate. This enabled a recipient to move on and off AFDC without being subject to any specific period during which his benefits could be terminated. State welfare agencies complained that they frequently could not adjust benefits on this kind of "off and on" basis, and as a result the number of sanctions actually invoked became negligible in 1979 and 1980. The 1980 amendments authorized the Secretaries of HHS and Labor to establish, by regulation, the period of time during which an individual would not be eligible for assistance in the case of refusal without good cause to participate in a WIN program. In addition, the provision for a 60-day counseling period prior to termination was eliminated.**

Other amendments in the 1980 legislation included:

(1) Coordination of welfare and employment agencies—prior law required State welfare agencies to designate special units to provide social and supportive services to WIN registrants. This was amended to require that special units be co-located with the employment units to the maximum extent feasible.

(2) In-kind matching for supportive services—prior law allowed State matching for employment or training activities to be in cash or in kind, but required that matching for supportive services be in cash. The amendments authorized State matching for supportive services also in cash or in kind.

(3) Individuals exempt from WIN—the amendments added to the categories of individuals who are exempt from the WIN registration requirement, individuals who work at least 30 hours a week.

The Finance Committee in its report on the WIN amendments assessed the changes as follows:

> Despite growing success in placing AFDC recipients in employment, the committee believes that the present statutory requirements should be strengthened in such a way as to provide additional encouragement for welfare recipients to move into employment. The committee further believes that AFDC recipients who are able to work should be required to actively seek employment and that this should be made explicit in the law. The committee amendment therefore would amend title IV-A to provide that

**Regulations currently provide a sanction period of three months when a WIN recipient first fails or refuses to participate, terminates or refuses to accept employment, or reduces earnings. The regulations provide a 6-month sanction period for subsequent failures, refusals, terminations, or reductions.

AFDC recipients who are not excluded from WIN registration by law will be required, as a condition of continuing eligibility for AFDC, to participate in the full range of employment-related activities which are part of the WIN program, including employment search activities. The Employment and Training Administration of the Labor Department estimates that if States elected to use employment search as a primary activity, over 200,000 WIN registrants could participate in such activities and that 31 percent would be retained in employment. The committee anticipates that with such an employment search requirement, substantial numbers of AFDC recipients will find jobs and welfare costs will be reduced.[111]

K. The Reagan Administration—Renewed Emphasis on Work Requirements

INITIATIVES BY BOTH THE ADMINISTRATION AND THE CONGRESS

Since the beginning of the Reagan Administration, the legislative changes that have been made in the AFDC program have been considered by the Congress as part of the overall budget process. The result has been that the committees with jurisdiction over AFDC have not engaged in the extended debates over AFDC program changes that took place in the 1960's and 1970's. The legislative history of the changes that have been proposed during the period is therefore less comprehensive than previously.

Nonetheless, the changes that have come about in the work-related aspects of the AFDC program have been significant. Most of the changes were initiated by the Reagan Administration. Significant proposals for change, however, have also come from the Congress. Generally, the amendments for new work programs have moved in the direction of giving State welfare agencies more responsibility and authority to develop and administer their own range of programs.

Beginning in 1981, the Administration sought amendments to strengthen the AFDC work requirements by requiring the States to place employable recipients in some kind of work program. The amendments that have been enacted have given States an option, rather than requiring them, to operate new work programs.

In 1981, the Administration also initiated an amendment, which the Congress approved, that had the effect of limiting the role of AFDC cash assistance as a supplement to wages by repealing the provisions in prior law for the permanent disregard of certain amounts of a recipient's earnings.

1981 TESTIMONY BY SECRETARY SCHWEIKER

When Secretary of HHS Richard Schweiker testified before the House Subcommittee on Public Assistance and Unemployment Compensation in defense of the Reagan Administration's first welfare proposals in March 1981, he emphasized that one major pur-

[111] U.S. Congress. Senate. Committee on Finance. Report on H.R. 3236. 96th Cong., 1st sess. Report No. 96-408, p. 63.

pose of the proposals was to strengthen work requirements. "The American public," Secretary Schweiker said, "is not willing to bear the burden of supporting people who can work." His statement continued:

> We believe that everyone receiving assistance who is capable of working should be involved in a work program. To this end, in addition to continuing the current requirement that employable recipients seek and accept employment, we would require States to establish community work experience programs. Employable recipients who are unable to find a job in the regular economy would be required to accept work in these programs. This work would be performed in return for the AFDC benefits.
>
> These community work programs will increase the employability of recipients through actual work experience and training. They will encourage recipient identification with the labor market, provide recipients with a work history and develop the disciplines necessary for accepting employment in the regular economy.
>
> In addition, we would require AFDC parents who attend college to register for work and meet all other work requirements under AFDC. The purpose of the AFDC program is not to enable individuals to attend college at taxpayers expense as an alternative to supporting their children. It is unfair to allow able-bodied adults to avoid work and attend school while the taxpayers who are supporting them may be unable to afford college for themselves or their children.
>
> These proposals will involve those recipients who are able to work in work activities. They will increase the self-esteem and employability of many recipients and will promote self-support through jobs in the regular economy. They will eliminate current abuses in the program and, more importantly, lessen the burden of providing public assistance to those in need.[112]

COMMUNITY WORK EXPERIENCE PROGRAM (CWEP)

The first proposal referred to by Secretary Schweiker, to require States to create community work experience (CWEP) programs that would require AFDC recipients to "work off" their welfare benefits, was widely described at the time as an expansion to the Federal level of a demonstration program undertaken as part of California's welfare reform program when Ronald Reagan was Governor of that State. Actually, it differed only in detail from the community work and training programs that States were authorized to operate under the AFDC law during much of the 1960's, and contained many of the same ingredients as the version of the com-

[112] U.S. Congress. House. Committee on Ways and Means. Subcommittee on Public Assistance and Unemployment Compensation. Hearings on Administration's Proposed Savings in Unemployment Compensation, Public Assistance, and Social Services Programs. 97th Cong., 1st sess., p. 11.

munity work and training program that was proposed by the Johnson Administration in 1967.

Committees in both Houses of Congress accepted the basic concept of the Administration's CWEP proposal—that AFDC recipients could be required to "work off" their welfare grants. However, the House Subcommittee on Public Assistance and Unemployment Compensation, and later the full Ways and Means Committee, approved their own modified version of the program. In one respect the Ways and Means version was more strict than the Administration's proposal. It allowed States to require the participation of mothers, regardless of the age of the child, rather than allowing the requirement to be applied only to mothers with no child under age 3. However, the Ways and Means bill included more specific requirements for assuring the appropriateness of the work assignment in terms of the individual participant's capacities and circumstances, and it also included a stronger emphasis on State supervisory and monitoring requirements. The committee also added a specific provision requiring States to provide job search and other assistance to help individuals find jobs in private employment, as a priority to participation in CWEP. In addition, the committee bill gave the State the option of operating CWEP programs for their AFDC recipients. The Administration had proposed making CWEP a required program for the States.

The Committee on Finance approved legislation that was similar to the Administration's with one major exception. Like the Ways and Means Committee, the Finance Committee decided to make CWEP an optional, rather than a mandatory, program for the States. The version finally enacted by the Congress was the Senate version. This came about when the House of Representatives approved the "Gramm-Latta" substitute, rather than H.R. 3982, the Omnibus Budget Reconciliation Act of 1981, as reported by the House Budget Committee, which had included the Ways and Means provisions.

As finally enacted (Omnibus Budget Reconciliation Act of 1981, P.L. 97-35), the stated purpose of State CWEP programs is "to provide experience and training for individuals not otherwise able to obtain employment in order to assist them to move into regular employment." The statute limits programs to those which serve a useful public purpose in fields such as health, social services, environmental protection, education, urban and rural development, welfare, recreation, public facilities, public safety, and day care. The law also states that to the extent possible, the prior training, experience and skills of a recipient are to be used in making work experience assignments.

The legislation requires State welfare agencies to provide certain protections: (1) appropriate health and safety standards; (2) that the program does not result in displacement of persons currently employed, or the filling of established unfilled vacancies; (3) reasonable conditions of work, taking into account the geographic region, residence, and proficiency of the participant; (4) that participants will not be required to travel an unreasonable distance from their homes; (5) a limitation on the hours of work required which is consistent with the greater of the Federal or applicable State minimum wage in relation to the family's AFDC benefit; and (6) pay-

ment for transportation and other costs, not in excess of an amount established by the Secretary, which are reasonably necessary and directly related to an individual's participation in the program.

The Finance Committee noted in its report: "Because participants would not be required to work in excess of the number of hours which, when multiplied by the greater of the Federal or the applicable State minimum wage, equals the sum of the amount of aid payable to the family, individuals participating in these programs would have time to seek regular employment." The committee further emphasized placement in regular employment by adding language which had not been included in the Administration's proposal, requiring the chief executive officer (governor) of each State to provide coordination between CWEP and the WIN program "to insure that job placement will have priority over participation in the community work experience program." [113]

The 1981 law provides that all persons required to register under WIN may be required to participate in a community work experience program unless they are currently employed for 80 or more hours a month with earnings not less than the applicable minimum wage for such employment. In addition, mothers caring for a child under 6 but not under 3 may, at the discretion of the State agency, be required to participate in CWEP if child care is available. (Mothers caring for a child under 6 are not required to register for WIN.) Persons who are so remote from a WIN project that their participation in that program is precluded may also be required to participate in CWEP.

The CWEP sanctions are the same as those under the WIN program. If an individual who is required to participate refuses to do so without good cause, he is removed from the grant and the family's benefit is reduced. However, in the case of a two-parent family which is eligible on the basis of the unemployment of the principal earner, the entire family is removed from the AFDC rolls. In the case of a first refusal, the sanction period is three months. In the case of second or subsequent refusals, the sanction period is six months.

State expenditures for administering CWEP are matchable at the 50 percent rate that applies to AFDC administrative costs generally. However, matchable expenditures may not include the cost of making or acquiring materials or equipment, or the cost of supervision of work. The Administration had originally proposed a $25 limit on the monthly amount that could be paid for transportation and other costs incurred by an individual that were necessary and directly related to his participation in CWEP. Although the Congress did not include the $25 limitation, providing instead for Secretarial discretion, the regulations implementing the provision placed a limit of $25 on the amount for which the State may claim Federal matching. (This provision was amended in 1984.)

There was very little public debate on the CWEP legislation during the consideration by the Congress of the fiscal year 1982 budget proposals. However, as can be seen from this description, the basic idea behind the program, the payment of AFDC cash as-

[113] U.S. Congress. Senate. Committee on the Budget. Report on S. 1377, 97th Cong., 1st sess., Rept. No. 97-139, p. 569.

sistance in lieu of wages, or "workfare" as it has commonly been called, met with general approval in both the House and the Senate, so long as the States retained the discretion to decide whether to implement a community work experience program, as well as who should participate.

FINANCE COMMITTEE APPROVAL OF ALTERNATIVE PROGRAMS

The Congress went considerably beyond the Administration's request for new work program legislation by approving additional alternative employment programs for AFDC recipients. As part of its package of 1981 Reconciliation Act proposals, the Finance Committee included not only the optional CWEP program, but, in addition, a proposal for a WIN demonstration program, and for a program aimed at making "employment a more attractive alternative to welfare dependency," which the committee called "work supplementation." These two additional alternatives were supported by the Administration, and were approved by the House as part of the Gramm-Latta substitute.

The Finance Committee, in language written for the report on the new alternative programs, emphasized the statutory objective of the AFDC program of helping "parents or relatives to attain or retain capability for the maximum self-support and personal indepence consistent with the maintenance of continuing parental care and protection." "This objective," the committee stated, "reflects the consensus of American society that dependency on welfare is an undesirable situation both from the point of view of society and from the point of view of the individual recipient. In some cases, certainly, it may be an unavoidable situation; and the existence of the welfare program reflects that reality. But even in such cases, the goal should be to minimize insofar as possible the extent and duration of dependency."[114]

While urging adoption of the new alternative programs, the committee also expressed its support of the existing WIN program:

> The WIN program, as substantially revised in 1971 and in 1980 by amendments proposed by this Committee, remains the only part of the Federal AFDC statute which is aimed specifically at the goal of achieving independence from welfare through employment. This program has enjoyed some success in helping those it has served to attain employment. However, the available resources for the WIN program have limited the proportion of AFDC recipients it can actively serve. The committee believes that changes in the law are needed to enable the States to supplement the WIN program with programs of their own to assist and encourage recipients to attain independence. In recommending such changes, however, the Committee is not proposing to repeal the WIN program nor recommending any diminution in the resources devoted to it.[115]

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[114] Ibid., p. 507.
[115] Ibid pp. 507–508.

WIN DEMONSTRATION PROGRAMS

The WIN demonstration authority adopted by the committee was taken from a bill (S. 986) first introduced by Senators David Boren (D.-Okla.) and Daniel Patrick Moynihan (D.-N.Y.). In discussing the bill in a Senate floor statement, Senator Boren criticized the WIN program as having "two serious flaws." These he identified as "dual administration (HHS and DOL) and inflexibility within the system—which result in a lack of agency accountability, cumbersome administrative rules and regulations, high cost, and poor performance."

The Senator commented further:

> Many States have indicated they could run more efficient programs than currently exist. This bill provides us an opportunity to utilize State and local units of government which are the most responsible, best equipped and most competent levels of government to develop and administer programs to meet the needs of families with children.[116]

The new legislation (which was temporary, but has been twice extended) authorizes the States, as an alternative to the existing work incentive program, to operate a work incentive demonstration program "for the purpose of demonstrating single agency administration of the work-related objectives" of the AFDC program. The law requires the governor of the State to submit to the Secretary of HHS a letter of application providing evidence of intent, along with an accompanying State program plan specifying (1) that the operating agency would be the State welfare agency, (2) that required participation criteria would be the same (statewide) as are applied under the WIN program, and (3) the objectives which the State expected to meet, with emphasis on how the State expected to maximize client placement in nonsubsidized private sector employment. In addition, the plan must describe the techniques to be used to achieve the objectives of the demonstration program, including (but not limited to) maximum periods of participation, job training, job find clubs, grant diversion to either public or private sector employers, services contracts with State employment services, prime sponsors, or private placement agencies, and performance-based placement incentives. (The 1981 amendment required the governor to submit the State's letter of application and accompanying program plan within 60 days after enactment. This deadline has been twice amended.)

The WIN demonstration legislation provides specifically that "a State shall be free to design a program which best addresses its individual needs, makes best use of its available resources, and recognizes its labor market conditions." The Secretary of HHS may disapprove an application only if he determines that the State program plan would be less effective than the regular WIN requirements. In addition, the Secretary has responsibility for evaluating the demonstration programs. According to the committee report, "the committee believes that the results of the evaluations would

[116] Congressional Record. Senate. April 10, 1981, p. S3859.

provide insight into ways to improve the administrative mechanism of programs which are designed to provide employment for welfare recipients." [117]

WORK SUPPLEMENTATION

The third alternative approved by the committee and ultimately by the Congress was called "work supplementation." As mentioned earlier, the work supplementation program was "designed to make employment a more attractive alternative to welfare dependency." The basic concept of the program was described in the report as allowing States to "utilize part of the funding now devoted to welfare grants to provide or subsidize employment opportunities which would be available on an entirely voluntary basis for individuals who would otherwise be dependent upon AFDC." [118]

Work supplementation was sponsored by Senator Long. It includes many of the same elements as the work demonstration legislation reported by the Finance Committee several times in the 1970's and finally enacted (but never implemented) in 1977. (See discussion "Legislation for Employment-Related Demonstration Projects."). To generate funding for the subsidized jobs, the Long amendment authorizes States to lower all AFDC grant levels, or lower them selectively for certain geographic areas or for certain categories of recipients whom they determine to be most employable. The funding saved by lowering the grant levels may be used to make jobs available for the recipients affected.

The work supplementation legislation gives States complete flexibility in determining who may be included in the program, provided individuals meet the State's May 1981 AFDC eligibility requirements (or those requirements as modified under subsequent Federal legislation).

Originally, the legislation defined a supplemented job as one provided by: the State or local agency administering the program; a public or nonprofit entity for which all or part of the wages are paid by the administering agency; or a proprietary child care provider for which all or part of the wages are paid by the administering agency. (This definition of jobs that may be supplemented was broadened in 1984 to include virtually any public or private employment.)

Emphasizing the intent "to make work more attractive than welfare," the committee report noted that the legislation "would provide a significantly different approach to work incentives as compared with the existing AFDC system. States would be specifically authorized," the report continues, "to lower AFDC standards so as to increase the attractiveness of employment as compared with welfare dependency, and could make any necessary further adjustments to correct for offsetting increases which might occur in other needs-based programs, such as the food stamp program. . . . Inasmuch as the program is designed to provide work incentives in the form of work as an *alternative to* welfare, States would also be permitted to reduce or eliminate the amount of earnings disregarded

[117] U.S. Congress. Senate. Committee on the Budget. Report on S. 1377, 97th Cong., 1st sess., Rept. No. 97-139, p. 512.
[118] Ibid., p. 510.

in calculating an AFDC grant. To avoid the disincentive to employment which might result from the loss of medicaid eligibility, States would be authorized, at their option, to continue that eligibility for individuals who accept employment in jobs subsidized by the work supplementation program."[119]

REPEAL OF REQUIREMENTS TO DISREGARD CERTAIN EARNINGS

The Reagan Administration's 1981 proposals for changes in AFDC work requirements were accompanied by proposals for significant changes in the treatment of earnings. These proposals, too, were adopted (with only one modification) by the Senate, and incorporated in the House budget reconciliation bill as part of the Gramm-Latta substitute.

Secretary Schweiker, in his March 1981 statement before the Senate Finance Committee, described the proposals as "designed to limit eligibility and to better target limited funds to those most in need."

The Secretary commented:

> The generous disregards applied to earned income under current law, for example, have allowed AFDC recipients who join the workforce to continue to receive public assistance, even after they are working full time. Furthermore, the present policy on treatment of work expenses, which does not define or limit what types of expenses may be disregarded, prevents the use of reasonable controls which, contribute to the administrative burden.[120]

The changes enacted by the Congress in 1981 limited the amounts of recipient earned income to be disregarded as follows: (1) the first $75 of monthly earnings for full time employment (in lieu of itemized work expenses); (2) child care costs up to $160 per child per month; and lastly, (3) $30 plus one-third of earnings not previously disregarded. The $30 plus one-third disregard was allowed only during the first 4 consecutive months in which a recipient has earnings in excess of the AFDC payment to a family with no other income, plus the standard work expense and child care disregards.* (The Administration had proposed limiting the child care disregard to $50 per child per month. This was rejected by the Finance Committee in favor of the $160 limitation which was ultimately enacted.)

The eligibility of families with earnings was further limited by establishing a gross income eligibility ceiling of 150 percent of the State's standard of need.

The House Ways and Means Committee had approved more limited changes in the disregard provisions as part of its 1981 reconciliation package. These changes, replaced by the Senate provisions as

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[119] Ibid. p. 511.

[120] U.S. Congress. Senate. Committee on Finance. Hearings on Spending Reduction Proposals. 97th Cong., 1st sess., Pt. 1, p. 32.

* Prior law had required States to disregard earnings as follows: (1) the first $30 of monthly earnings plus one-third of additional earnings (enacted in 1967) and any expenses reasonably attributable to the earnings of income (enacted in 1962), (2) the $30 plus one-third of earnings disregard was applicable only to recipients, not to applicants. See discussion of enacting legislation. "Expansion of Work Incentives" under the heading "Enactment of the Work Incentive Program."

part of the Gramm-Latta substitute, required the following amounts of a recipient's earned income to be disregarded (in the following order): (1) the first $50 of monthly earnings; (2) 20 percent of gross earnings up to $175 a month; (3) child care costs up to $200 per child ($400 per family) per month; and (4) one-third of remaining earnings. Under the Ways and Means proposal, States would have been allowed to provide a more limited disregard for two-parent families, and they would have been allowed to terminate, or phase out, the $50 and one-third disregards for families at specified income levels, after the family had claimed the one-third disregard for a 12-month period.

The Ways and Means Committee specifically rejected the Administration's proposals to make ineligible for benefits any family with an income above 150 percent of the State's standard of need.

STATUS OF THE WORK INCENTIVE PROGRAM, 1981 AND 1982

In March 1981, when the Administration first submitted its budget for the 1982 fiscal year, it appeared that the WIN program would not be subject to the funding reductions that were being proposed for many other social programs. The Administration requested a WIN funding level of $365 million, the same amount that had been appropriated for 1980 and 1981. During the early months of 1981 there was some discussion within the Administration of transferring the lead authority for running WIN from the Department of Labor to the Department of HHS. The rationale for this change was to provide greater administrative coordination between WIN and AFDC, including the new CWEP program, which was placed under the administrative authority of the Office of Family Assistance in the Department of HHS.

This transfer of authority from Labor to HHS never occurred. In the meantime, the Senate Appropriations Committee approved a cut in WIN funding, to $264 million for 1982, a reduction of about one-third from the 1981 level. This was the amount that was finally approved by the Congress in the 1982 continuing resolution (P.L. 97-92, extended by P.L. 97-161). The size of the cut stirred up significant opposition in a number of States and, some months later, the Congress provided additional funding for WIN for 1982. (This was part of the Urgent Supplemental Appropriations Act for 1982—P.L. 97-276.) Although this additional funding, which brought the total for the year to $281 million, helped the program to maintain operations in all States, there were sizeable reductions in WIN staff and in the scope of WIN operations.

THE ADMINISTRATION'S FISCAL 1983 BUDGET PROPOSALS

When the Administration presented its 1983 budget proposals, it included several new provisions affecting work requirements for AFDC applicants and recipients. Describing the provisions to the House Subcommittee on Public Assistance and Unemployment Compensation in March 1982, Under Secretary of HHS David Swoap described them as "designed to further strengthen work requirements and improve the employability of recipients." Secretary Swoap added: "The Administration believes that all able-bodied individuals who request assistance should be involved in some type of

work-related activity from the day they apply." [121] The Administration proposed the enactment of a new job search program to be administered by State welfare agencies. It also proposed, as it had in 1981, that the community work experience program be made mandatory in all States. Thirdly, it proposed that funding for the WIN program be eliminated.

A NEW JOB SEARCH PROGRAM

One of the Administration's main proposals for fiscal year 1983 was to require States to operate a new job search program. Although the WIN program already had authority to establish job search programs and to sanction AFDC recipients who failed to participate in them without good cause, there was no authority to apply sanctions to persons who had applied but had not yet been determined to be eligible for assistance. The new provision was designed to extend the penalty provision to applicants, and also to extend the authority for operating job search programs to State welfare agencies, in addition to WIN agencies.

The job search concept was approved by both the Senate Finance and the House Ways and Means Committees. The Finance Committee reported, and the Senate approved, a job search provision that was essentially the same as the Administration's. This provision was included in H.R. 4961, the Tax Equity and Fiscal Reponsibility Act of 1982, which incorporated the committee's 1983 budget reconciliation recommendations. The Ways and Means Committee approved a version that included a number of important modifications. These were contained in H.R. 6878, which embodied the tentative decisions made by the committee for drafting purposes on July 15 and were designed to meet the directive contained in the First Concurrent Resolution on the Budget for Fiscal Year 1983. These provisions were never formally reported because the committee voted to go directly to conference with the Senate Finance Committee on H.R. 4961.

The House and Senate conferees accepted the Ways and Means version of the job search amendment. This authorized State welfare agencies to establish mandatory employment search programs for both applicants and recipients. (The Senate provision would have required, rather than allowed, the States to establish the new programs.) Persons who may be required to participate are the same as those who are required to register for WIN (or who would be required to register except for remoteness from a WIN site). However, as modified by Ways and Means, the provision also allows States to limit participation to certain groups or classes of individuals, rather than including all persons required to register for WIN. If an individual fails to comply with the employment search requirement without good cause, he is subject to sanctions in the same manner as under the WIN program. The Ways and Means modification allows a State, if it wishes, to shorten the duration of the sanction period.

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[121] U.S. Congress. House. Committee on Ways and Means. Subcommittee on Public Assistance and Unemployment Compensation. Administration's Fiscal Year 1983 Legislative Proposals for Unemployment Compensation and Public Assistance. 97th Cong., 2d sess., p. 36.

Other Ways and Means modifications approved by the conferees included: a provision specifically requiring payment to the individual of transportation and other costs necessarily incurred as part of his participation in the program; State entitlement to 50 percent Federal matching for costs of providing transportation and other services to participants; a prohibition on the States to use the job search requirement as a reason for any delay in making a determination of an individual's eligibility, or in issuing a payment to an individual who is otherwise eligible; and a provision allowing an initial 8-week search period, and additional 8-week periods each year (which could add up to 16 weeks in the first year).

The amendment requires the chief executive officer (governor) of the State to coordinate the job search program with other employment programs to assure that priority is given to job placement over participation in another activity.

THE ADMINISTRATION AGAIN PROPOSES TO MAKE CWEP MANDATORY

Another amendment sought by the Administration in its fiscal year 1983 budget was to require the States to implement community work and training (CWEP) programs. As in 1981, the Congress refused to place this requirement on the States, opting instead to leave the implementation of CWEP to State discretion. The Administration also proposed that there be no Federal matching for families eligible for assistance on the basis of unemployment unless the principal earner was participating in a CWEP project. The Congress rejected this proposal. A third work-related proposal which was rejected by the Congress (although approved by the Senate) would have authorized the Secretary of HHS to extend work sanctions under CWEP to individuals who are exempt from the WIN registration requirement because they are employed 30 or more hours a week, or who live in an area so remote from a WIN program that their participation is precluded, if they refused or terminated employment without good cause.

PROPOSAL IN 1982 TO ELIMINATE WIN FUNDING

In 1981, the Administration had proposed no reduction in fiscal year 1983 funding for the WIN program. However, in 1982, following the reduction in 1982 WIN funding that was initiated by the Congress, the Administration proposed that funding for the program be totally eliminated, beginning with fiscal year 1983. During Finance Committee hearings on the Administration's 1983 budget proposals, Secretary of HHS Richard Schweiker was questioned sharply on this proposal. Both Senator Lloyd Bentsen (D.-Tex.) and Senator John Heinz (R.-Pa.) asked the Secretary to explain the Administration's rationale for the ending funding for the WIN program. The Secretary explained that "the primary reason" was that the WIN training function could be performed by the Administration's newly proposed job training program:

> Secretary SCHWEIKER. Well, I think the primary reason is because of the President's decision to start a new program, a $1.8 billion job training program in a block grant form, which basically would be directed primarily to the

welfare recipient; in other words, the two high priority targets of the $1.8 billion job training program that the Labor Department proposed is for welfare recipients and teenage youth from disadvantaged areas.

So when I saw that, and when I realized that we were going to put primary emphasis on welfare recipients in that program, I thought it became duplicative. Frankly, if that had not been proposed, I would not have accepted the proposal to eliminate this program.

Senator HEINZ. In your judgment, is the $1.8 billion program—which it is not in the jurisdiction of this committee; it's in your old committee, Labor and Human Resources—is that adequate to attack both teenage youth unemployment as well as the job training requirements of welfare recipients, in your judgment?

Secretary SCHWEIKER. Well, I think it does two things that the other CETA program didn't do, and maybe three things: No. 1 is, the primary target groups are welfare recipients and teenage youth from disadvantaged areas. These are really the two high priority categories; they are not going to try to cover the waterfront.

No. 2, it is clear that because of the fact the emphasis will be on training, we will end up with a very high dollar value on training as opposed to some of the other aspects of the old CETA program. So the fact that under the old program there was some $600 million spent on training, and we propose to spend $1.2 billion on training, which will be a key factor in attacking this problem.

Senator HEINZ. Well, I wonder if that is anywhere near enough, Mr. Secretary.[122]

Later, complaining about proposed budget cuts, Senator Bentsen remarked: "I think we really ought to be continuing to work to get people off of the welfare rolls and into jobs. I think that's what they want, and that's certainly what the taxpayers want."

Secretary Schweiker responded: "Well again, Senator, I think it is important to say that if the proposal for a new $1.8 billion job-training program wasn't on the table, I would have strenuously opposed the elimination of this program." [123]

The Congress did not agree to end funding for WIN. Instead, conferees on the Tax Equity and Fiscal Responsibility Act of 1982 accepted a Senate amendment to extend the temporary WIN demonstration authority that was enacted in 1981, allowing States a period of two additional years, to June 30, 1984, in which to exercise their option to operate a WIN demonstration program. Appropriations approved by the Congress for WIN for fiscal year 1983 amounted to $271 million, a $10 million reduction from the 1982 level.

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[122] U.S. Congress. Senate. Committee on Finance. Hearings on Administration's Fiscal Year 1983 Budget Proposal. 97th Cong., 2d sess., p. 260.

[123] Ibid., p. 268.

REACTION TO THE 1981 CHANGES FOR DISREGARDING EARNINGS

During the hearings on the 1983 budget proposals, Senator Moynihan also sharply criticized the Administration for the changes enacted the prior year that placed stringent limits on the amounts of earnings that could be disregarded in determining AFDC benefits for recipients. His exchange with Secretary Schweiker went (in part) as follows:

> Senator MOYNIHAN. * * * Why have you declared war on women who work in the marketplace and have a small supplement to their income from welfare?
>
> Now, sir, in this morning's Washington Post is a report of a study of the University of Chicago Center for Social Policy which says a quarter of the families who receive AFDC payments, which are social security payments, are going to be cut by your proposals. And why are they going to be cut? They are going to be cut because they are working.
>
> Last year you drove through this Congress the cutoff in the $30⅓ incentive system for working. Today, in New York State, a mother working almost full time, making $486 a month, the average monthly wage of working AFDC mothers in New York gets $21 in AFDC payments, a little energy assistance, and some medicaid. By quitting work altogether, under the administration's fiscal year 1983 proposals, she has another $40 a month. Her monthly income goes up $40.
>
> • • • • •
>
> Under your proposal, the family not working in New York would get $288 in more Federal, State, and city outlays than the family whose head continues to work. Now, what can be the economic or policy rationale for this? And I don't mean to be anything but serious.
>
> Twenty years this committee has tried to build work for people driven onto welfare. One child in three born in the United States today will be supported at some time by the AFDC programs. Are they to be brought up in conditions of utter dependency? Or are they to be supported in conditions in which a parent tries to work?
>
> Secretary SCHWEIKER. Are you ready for me? [Laughter.]
>
> Senator MOYNIHAN. Right.
>
> Secretary SCHWEIKER. First of all, let me say that the income disregard was passed by this committee on three separate occasions as a reform, so this committee——
>
> Senator MOYNIHAN. Ending the disregard is a reform?
>
> Secretary SCHWEIKER. [continuing]. Made a judgement in the last decade to put an income disregard change into effect. So before we just completely roll over the administration with it, we ought to acknowledge that the committee itself initiated three income disregard proposals, Senator. No. 1.
>
> Senator MOYNIHAN. For those who don't know, the income disregard is an incentive to work. It allows you to

keep, each month, the first $30 of your earnings and a third thereafter. It helps mothers to stay in the work force. Thanks to the administration, it is no longer available after 4 months; it is a sudden death. A mother finds herself deciding "Do I stay on my job, and give my children less, or do I quit my job and give my children more?" What an alternative to give a mother.

Secretary SCHWEIKER. No. 2, which you keep ignoring, is that we still take into account under our proposal work or child care expenses. They are still disregarded. We haven't eliminated the work expense disregard; we haven't eliminated the child care disregard. That's still in there.

Senator MOYNIHAN. Do you deny that if your proposals go into effect in 24 States of the Union a working mother will be better off quitting her job? Yes or No, Mr. Secretary.

Secretary SCHWEIKER. I would like to finish my answer from your other 15 questions, Senator, if I might.

Senator MOYNIHAN. Please.

Secretary SCHWEIKER. Next is that in terms of our statistics, in terms of our studies, there has not been a significant change which shows your point of view is correct.

For example, up until 1967, when the disregard was enacted, about 14 percent of all welfare mothers worked. And the interesting thing is that after the income disregard were enacted which supposedly was designed to get a higher percentage of welfare mothers working, it has hardly changed at all. So we have gone through almost 8 or 9 years of this supplement idea, and in fact the 14 percent, within a few tenths of 1 percentage point one way or another, has not changed. So the theory on which you are premising your whole question is not fundamentally sound, No. 1.

Senator MOYNIHAN. I would not have regarded that as a theory; I would have regarded that as an empirical proposition. The fact of the matter is that, as a proportion of the population, AFDC recipients have gone down. And as a proportion of the budget, AFDC expenditures have gone down through the 1970's. Not greatly, but it is the one area of social security entitlement expenditures which has in fact declined. Your data do not address this, nor do they address the perhaps more relevant point about the work incentive: A constant proportion may be working while on AFDC, but are more women moving from AFDC to work?

Secretary SCHWEIKER. No. 2, in fact just the exact opposite has happened. Thirty-three percent of those leaving welfare prior to 1967 left because they were receiving earned income; in other words, because of jobs. Now only 10 percent leave because they are working. So the point is, if anything, it has worked in reverse. Instead of 33 percent leaving for jobs, only 10 percent leave for jobs. It has been a reverse disincentive, Senator; that's exactly why we are proposing changing it. It keeps people on welfare longer

and longer and gives less incentive to people to become self-sufficient.

Senator MOYNIHAN. I see. It is your view that the income disregard keeps people on welfare. Well, we will pursue that later. I should like to see your data. But can I ask you: In the Washington Post this morning, the findings of the University of Chicago study are published. Unfortunately the columns got mixed up. It suggests that in 24 States of the Union, my own included, Kansas included, mothers receiving welfare who work today will, if the administration's proposals are enacted, be worse off working and better off if they stop working and become completely dependent.

Now, is it your judgment that this is so? And is it your purpose? If you find that the analysis is accurate, would you be willing to change your proposal?

Secretary SCHWEIKER. Well, first of all, we don't agree with the study in view of the figures that we have given out.[124]

Later in the hearing, Senator Moynihan again raised the findings of the University of Chicago study showing that under the 1981 changes mothers in 24 States would be worse off working than remaining totally dependent on welfare. He asked the Secretary's response to the study's findings.

Senator MOYNIHAN. The second thing is: This is the University of Chicago study that suggests that in 24 States mothers who receive welfare and earn from working average wages for AFDC recipients in that State—the work is not small; it is about 30 hours a week—will be worse off working than if they just go completely cold turkey dependent on welfare.

This study says in effect that the administration is proposing to push people out of the job market, into dependency. You don't have to agree with this, but would you give us your best judgment about why this is wrong, if you think it is? This is a careful study. It was done by Tom Joe, an economist who was brought to Washington by your predecessor, Mr. Robert Finch, former Lieutenant Governor of California under Governor Reagan, and Secretary of HEW under President Nixon. This is his judgment. It may be wrong. But it goes State-by-State, item-by-item.

I really do feel we need a response from you. If you find Joe's study correct, would you modify your proposals? Because as your proposals now read, it seems to me they declare war on working welfare women.

Secretary SCHWEIKER. Well, Senator, where I disagree with you is, there is a fairness issue here that nobody has mentioned—and I heard that word a lot. If a secretary is earning the same amount of money as your welfare recipient, and hasn't been on welfare, they don't get the income supplement; they don't get their car expenses paid; they

[124] Ibid., pp. 278–280.

don't get their union dues paid; they don't get their uniforms, tools, and many other disregards allowed.

So you talk about fairness? You are telling a person who has never been on welfare, that is holding down the same job as the person who has come off welfare, getting the same pay, that it is OK for the Government to pay one and not the other. You are encouraging the person who has never been on welfare to dip down and do the same thing—go on welfare and then come back up, and they get it for life. There is a catch-22 here, Senator. You have an incentive built in now—an inequity—to say the secretary who has never been on welfare, getting the same amount of money, gets all these benefits; but the person who had dipped down into welfare comes up and gets a special privilege. And I think that is an inequity that makes people want to go on welfare.[125]

There was also sharp criticism of the 1981 changes by members of the House Subcommittee on Public Assistance and Unemployment Compensation. The House Subcommittee reported legislation in 1982 to repeal the 1981 changes, replacing them with more generous provisions for the disregard of earnings. These changes were later tentatively approved by the full Ways and Means Committee as part of H.R. 6878.

The Ways and Means bill, which was not voted on by the full House, provided the following disregard of monthly earnings for AFDC recipients (in the following order): (1) $30, (2) 20 percent of gross earnings up to $175 a month, (3) child care costs up to $160 per child per month, and (4) one third of remaining earnings. Unlike in 1981, the committee agreed that all disregards should be continued without any time limitation so long as a family remained on the AFDC rolls. However, as in 1981, it gave the States the option of not applying the child care and one-third disregards in the case of two-parent families.

Conferees on the 1983 budget reconciliation bill (TEFRA) rejected the Ways and Means provision.

1984 CHANGES IN RULES FOR RECIPIENTS WITH EARNINGS

In 1984, as in the previous year, the House Subcommittee on Public Assistance and Unemployment Compensation approved legislation to liberalize the AFDC rules for the treatment of earnings. The subcommittee's proposed changes, which were agreed to by the Ways and Means Committee and by the House, were accepted in part by Senate conferees on H.R. 4170, the Deficit Reduction Act of 1984.*

The 1984 changes were as follows:

Work expense deduction.—In 1981, the law was amended to require the disregard of the first $75 of monthly earnings for full-time employment. States were required to establish lower amounts to be disregarded for persons who worked part time. (These amounts were set in lieu of itemized work expenses,

[125] Ibid., pp. 291-292.
*P.L. 98-369.

which were required to be disregarded under pre-1981 law.) The House approved an amendment to require the disregard of the full $75 for part-time earners, as well as for those working full time. This was agreed to by Senate conferees.

Extension of period for disregarding $30.—The 1981 legislation limited to four months the period during which an additional $30 of a recipients's monthly earnings could be disregarded. The House approved an amendment to require the disregard of the $30 amount for an unlimited period of time, as under pre-1981 law. House and Senate conferees agreed to require the disregard of the $30 amount for a period of 12 months.

Work transition status.—Concerned about the abrupt termination of categorical medicaid eligibility for families who lost AFDC recipient status because of the 1981 change in the law that limited the $30 plus one-third disregard of earnings to four months, the House approved a provision requiring the payment of a small "work transition allowance," making those who received it eligible for Medicaid for an additional limited period of time.

Senate conferees agreed to the provision, with modifications. As agreed to by conferees, States must continue Medicaid coverage for nine months after a family loses AFDC benefits because it is no longer eligible for the one-third disregard. The States have the option of continuing Medicaid for an additional six months if the family loses AFDC benefits because it is no longer eligible for both the $30 and one-third disregards. (As a transition provision, the amendment allowed families that previously had lost Medicaid benefits as a result of losing the $30 plus one-third disregard to apply for the new special work transition status and Medicaid, but required them to disclose any private health insurance they held at the time of application, to apply within six months after regulations were published, and to have been continuously eligible for AFDC if the $30 plus-one-third disregard were applied to their earnings.)

Gross income limitation.—The 1981 amendments established an eligibility ceiling for AFDC of 150 percent of the State standard of need. The House approved a new gross income limit of 130 percent of poverty, updated annually. Conferees agreed to a new gross income limit of 185 percent of the State standard of need.

1984 CHANGES IN WORK SUPPLEMENTATION AND CWEP

The Deficit Reduction Act of 1984 also included amendments modifying the work supplementation and community work experience legislation. These amendments were initiated by the House Subcommittee on Public Assistance and Unemployment Compensation.

As agreed to by House and Senate conferees, the amendments modifying the work supplementation program allowed States to operate what the conference committee report called "grant diversion programs." The amendment allowed the use of AFDC benefits to subsidize jobs provided by any private employer. Prior law had gen-

erally restricted the use of AFDC funds to subsidize jobs offered by public or private nonprofit employers. The change also gave the States flexibility in diverting funds to employers by allowing them to develop their own method—for example, by diverting a grant on an individual case basis, or by pooling the grants of AFDC recipients actually participating in the program. The amendment limited Federal funding for the program to the aggregate of nine months worth of unreduced welfare grants for each participant in the program, or less if the person participated for a shorter time. The amendment also allowed States to offer a $30 plus one-third disregard for up to nine months for individuals participating in the program.

In addition, the 1984 law provided additional Federal funding for certain costs incurred by participants in community work experience programs. The amendment provides that, to the extent that a State is unable to provide for the costs of transportation and other services by providing services directly to a participant, the State must reimburse the participant for certain definite transportation and day care costs. These State expenditures qualify for 50-percent Federal matching.

WAYS AND MEANS PROPOSAL TO REQUIRE STATES TO HAVE AN UNEMPLOYED PARENT PROGRAM

In 1985 the Subcommittee on Public Assistance and Unemployment Compensation approved an amendment requiring each State to have a program providing assistance to families eligible on the basis of a parent's unemployment. The unemployed parent component of the AFDC program has been optional with the States since it was first enacted in 1961.

Under the subcommittee's provision, the eligibility requirements for the program would be somewhat broadened. Amendments passed in 1967 required that eligible parents have a prior and recent attachment to the work force. Specifically, the law requires that the parent must have six or more quarters of work in any 13-calendar-quarter period ending within one year prior to the application for assistance. The quarter of work requirement may be met by having certain specified amounts of earnings, or by participating in a community work experience or work incentive program.

The subcommittee's provision, which was approved by the Ways and Means Committee and the House as part of H.R. 3128, the Deficit Reduction Amendments of 1985, modifies the quarters of work requirement by allowing States, at their option, to substitute attendance in school or training for the present requirements. An individual could "earn" up to four of the required six quarters of work through regular full-time attendance at an elementary or secondary school, by regular full-time attendance in a course of vocational or technical training, or as a participant in a program under the Job Training Partnership Act.

The House-passed provision was agreed to as a part of the conference agreement on the fiscal year 1986 budget reconciliation bill. After the conference bill was defeated, this provision was deleted from the legislation by subsequent action on the bill.

WIN FUNDING SINCE 1982

Each year, begining with fiscal year 1983, the Administration has proposed that the WIN program be discontinued. As noted earlier, Congress rejected this recommendaton, providing an appropriation of $271 million for fiscal year 1983, $267 million for fiscal year 1984, $264 million for fiscal year 1985, and $211 million for fiscal year 1986.

The congress has also continued the authority for States to operate WIN demonstration programs. This authority, when first enacted in the Budget Reconciliation Act of 1981, allowed States to operate their demonstration programs for a three-year period. Subsequent amendments have given States to June 30, 1987, to continue their demonstration programs.

CONSIDERATION OF ADMINISTRATION-PROPOSED CHANGES IN WORK AND TRAINING PROGRAMS SINCE 1982

Each year since 1982 the Reagan Administration has proposed additional changes in AFDC work programs. The proposals have varied in detail from year to year, but all have moved in the direction of requiring State welfare agencies to operate a variety of employment programs in which most employable AFDC recipients would be required to participate. The WIN program would be repealed.

Under the legislation proposed by the Administration in 1985 and in 1986, the States would be required to operate both a CWEP and job search program. In addition, they could choose to operate a work supplementation program, or an alternative, non-institutional work and training program. There would be no funding under title IV (the AFDC title of the Social Security Act) for institutional training. The Administration has said that Federal funding for institutional training should be provided only under the Job Training Partnership Act.

The Administration proposes to require the State welfare agencies to refer each employable AFDC applicant and recipient to an immediately available position under one of the alternative programs listed above. Federal matching for AFDC benefits would be reduced to the extent that the State failed to place an individual required to work in one of the designated employment-related activities. States would be penalized by a reduction in Federal matching for AFDC benefits if they failed to provide for the participation of at least 25 percent of employable AFDC applicants and recipients in the first year, 50 percent in the second year, and 75 percent in the third and subsequent years after enactment.

Under the Administration's proposal, there would be no Federal matching for a family eligible on the basis of a parent's unemployment unless that parent were participating in some kind of employment-related activity.

Although the Administration proposed in its 1986 budget that authorization of Federal funding for administering the proposed welfare agency employment programs be limited to $145 million, it has said that under its 1987 budget it would allow fifty percent Federal matching on an open-ended entitlement basis for administering these activities.

No action has been taken on these proposals by the 99th Congress.

APPENDIX

APPENDIX A

Work Program Data

TABLE A–1.—ESTIMATES OF MONTHLY PARTICIPATION IN AFDC WORK PROGRAMS

State	CWEP (fiscal years)			Employment search (fiscal years)		
	1985	1986	1987	1985	1986	1987
Alabama	250	386	386			
Alaska						
Arizona						
Arkansas						
California	(1)	(1)	(1)	(2)	(2)	(2)
Colorado	435	382	382			
Connecticut						
Delaware						
District of Columbia						
Florida				(1)	(1)	(1)
Georgia	(1)	(1)	(1)		(2)	(2)
Hawaii						
Idaho	(1)	(1)	(1)			
Illinois	(1)	(1)	(1)			
Indiana						
Iowa		870	900			
Kansas	1,300	1,364	1,431	314	329	345
Kentucky						
Louisiana						
Maine				332	374	426
Maryland				(2)	(2)	(2)
Massachusetts				5,400	7,000	8,000
Michigan	(1)	(1)	(1)			
Minnesota	234	250	270			
Mississippi						
Missouri			17,854			
Montana						
Nebraska		(2)	(2)		(2)	(2)
Nevada						
New Hampshire						
New Jersey					(2)	(2)
New Mexico	37	40	40			
New York	2,790	2,800	2,800			
North Carolina	2,388	3,852				
North Dakota	201	201	201			
Ohio	1,386	2,773	4,159	449	897	1,346
Oklahoma	800	800	800	1,195	1,195	1,195
Oregon				10,552	12,047	12,505

(1223)

TABLE A–1.—ESTIMATES OF MONTHLY PARTICIPATION IN AFDC WORK PROGRAMS—Continued

State	CWEP (fiscal years)			Employment search (fiscal years)		
	1985	1986	1987	1985	1986	1987
Pennsylvania	(1)	(1)	(1)			
Rhode Island					750	750
South Carolina	31	31	31		39	39
South Dakota	265	265	265			
Tennessee						
Texas				4,076	4,855	4,880
Utah				(1)	(1)	(1)
Vermont	123	160	160	1,500	2,000	2,000
Virginia	21,675	21,750	22,000	(1)	(1)	(1)
Washington	17	17	16	979	936	862
West Virginia	4,000	4,800	5,200			
Wisconsin		(2)	(2)			
Wyoming						
Guam						
Puerto Rico						
Virgin Island						
Total	35,942	40,741	56,895	24,797	30,422	32,348

[1] Did not report; program was operational during fiscal year 1985 and fiscal year 1986.
[2] Did not report; program began or is expected to begin during fiscal year 1986.
[3] Did not report; part of a demonstration.

Note: In some cases, employment search figures include applicants as well as recipients as participants. CWEP figures include only recipients.

Source: Provided by the Administration, June 27, 1986.

TABLE A–2.—WIN REGISTRATION STATUS OF ALL FEMALE ADULT RECIPIENTS AGE 14 AND OVER, FISCAL YEAR 1983

WIN status	Female adult recipients	
	Percent	Number
Registered for WIN	31.3	998,800
Exempt because:		
Child under 6	50.6	1,615,600
Employed	.6	19,100
Applied for or receiving unemployment compensation	.1	3,200
Illness, incapacitated or caring for someone who is	5.3	169,100
Under required age	.4	12,800
Other reasons	11.7	373,300

Source: Provided by the administration, June 27, 1986.

TABLE A–3.—AFDC MOTHERS IN JTPA TITLE II–A

[Excludes fathers, dependents]

	PY 1984
Total enrollees	90,900
Age (percent):	
Younger than 20	9.0
20 to 29	55.0
30 to 39	28.0
40 and over	8.0
Median age	26.8
Dependent under age 6 (percent)	71.0

TABLE A–3—AFDC MOTHERS IN JTPA TITLE II–A—Continued

[Excludes fathers, dependents]

	PY 1984
Number of dependents (percent):	
1	44.0
2	31.0
3	17.0
4	6.0
5	1.0
6	1.0
7 or more	
Education (percent):	
High school dropout	34.0
High school student	3.0
High school graduate	50.0
Post high school	16.0
Minority status (percent):	
White	43.0
Black	45.0
Hispanic	11.0
Other	2.0
Program activity (percent):	
Classroom training	59.0
On-the-job training	13.0
Job search assistance	15.0
Work experience	3.0
Other	10.0
Entered employment rate (percent)	56.0
Wage at Placement	$4.39

Source: Provided by the administration, June 27, 1986.

TABLE A–4.—PROPORTION OF ADULT WELFARE RECIPIENTS SERVED BY JTPA TITLE II–A, BY STATE

State	Proportion
Alabama	0.03
Alaska	0.03
Arizona	0.04
Arkansas	0.04
California	0.02
Colorado	0.08
Connecticut	0.05
Delaware	0.04
District of Columbia	0.01
Florida	0.05
Georgia	0.03
Hawaii	0.02
Idaho	0.07
Illinois	0.02
Indiana	0.02
Iowa	0.05
Kansas	0.04
Kentucky	0.03
Louisianna	0.02
Maine	0.03
Maryland	0.04
Massachusetts	0.03
Michigan	0.04
Minnesota	0.07
Mississippi	0.03
Missouri	0.03

TABLE A–4.—PROPORTION OF ADULT WELFARE RECIPIENTS SERVED BY JTPA TITLE II–A, BY STATE—Continued

State	Proportion
Montana	0.10
Nebraska	0.04
Nevada	0.03
New Hampshire	0.06
New Jersey	0.02
New Mexico	0.07
New York	0.03
North Carolina	0.04
North Dakota	0.09
Ohio	0.04
Oklahoma	0.04
Oregon	0.05
Pennsylvania	0.03
Puerto Rico	0.04
South Carolina	0.03
South Dakota	0.04
Tennessee	0.03
Texas	0.04
Utah	0.08
Vermont	0.10
Virginia	0.04
Washington	0.04
West Virginia	0.04
Wisconsin	0.06
Wyoming	0.06

Note: These figures are necessarily rough. JTPA title II–A welfare recipient data used here include AFDC, General Assistance, and Refugee Assistance. Overall welfare recipient data used in compiling this table includes only AFDC and General Assistance. The JTPA welfare recipient data used here is for the entire FY 1984. The overall adult welfare used in compiling the table is for point-in-time during 1984.

Source: Provided by the Administration, June 27, 1986.

TABLE A–5.—STATE ELECTION OF AFDC WORK PROGRAMS

State	Community Work Experience	Job Search	Grant diversion	WIN Demonstration	WIN
Alabama	X				X
Alaska					X
Arizona			X	[1] X	
Arkansas				X	
California	X	X		X	
Colorado	X		X		X
Connecticut			X	X	
Delaware				X	
District of Columbia					X
Florida		X	X	[1] X	
Georgia	X	X		X	
Guam					X
Hawaii					X
Idaho	X				X
Illinois	X			[1] X	
Indiana				X	
Iowa	X			X	
Kansas	X	X			X
Kentucky					X
Louisiana					X

TABLE A–5.—STATE ELECTION OF AFDC WORK PROGRAMS—Continued

State	Community Work Experience	Job Search	Grant diversion	WIN Demonstration	WIN
Maine		X	X	X	
Maryland		X	X	[1] X	
Massachusetts		X	X	[1] X	
Michigan	X		X	X	
Minnesota	X		X		X
Mississippi					X
Missouri					X
Montana					X
Nebraska	X	X		[1] X	
Nevada					X
New Hampshire					X
New Jersey		X	X	[1] X	
New Mexico					X
New York	X		X	X	
North Carolina	X				X
North Dakota	X				X
Ohio	X	X	X		X
Oklahoma	X	X		[1] X	
Oregon		X	X	X	
Pennsylvania	X			[1] X	
Puerto Rico					X
Rhode Island		X			X
South Carolina	X	X			X
South Dakota	X			[1] X	
Tennessee				X	
Texas		X	X	[1] X	
Utah		X			X
Vermont	X	X	X		X
Virgin Islands					X
Virginia				X	
Washington	X	X			X
West Virginia	X			X	
Wisconsin				X	
Wyoming	[2] X				X

[1] These States operate a WIN demonstration that includes significant subcontracting for employment and training services to the State's employment security agency or job training partnership agency, or both.

[2] Effective July 1, 1986.

Source: Provided by the Administration, June 27, 1986.

APPENDIX B

CHARACTERISTICS OF AFDC RECIPIENTS

TABLE B–1.—FEMALE ADULT RECIPIENTS BY AGE, OCTOBER 1982–SEPTEMBER 1983

State	Total female adults	Age in years (per cent)								
		19–21	22–25	26–29	30–34	35–39	40–44	45–49	Over 49	Unknown
Alabama	46,790	15.9	20.9	15.9	15.5	9.6	6.0	3.7	5.2	7.4
Alaska	3,714	10.0	20.8	19.3	13.8	11.8	9.3	4.1	9.0	1.8
Arizona	21,579	15.6	20.9	18.5	14.0	9.9	5.7	3.8	7.2	4.5
Arkansas	21,395	14.3	22.8	17.1	12.1	11.5	5.6	5.0	7.6	3.9
California	474,188	13.1	20.2	19.5	16.7	11.8	6.5	3.6	4.9	3.7
Colorado	25,084	13.7	23.4	19.3	16.4	9.7	5.8	2.6	3.4	5.7
Connecticut	37,816	14.3	19.8	18.6	16.0	12.8	6.6	3.8	4.2	3.9
Delaware	8,445	16.0	22.6	22.0	15.6	8.9	4.8	2.6	4.1	3.4
District of Columbia	20,154	16.5	20.3	20.3	13.0	11.5	6.2	3.2	4.4	4.6
Florida	89,715	15.3	23.5	18.0	14.8	9.3	5.7	3.2	4.1	6.1
Georgia	74,234	14.9	20.5	17.4	14.9	9.9	6.1	4.0	5.4	7.0
Idaho	5,051	20.3	22.4	22.9	15.1	8.6	4.0	1.6	.4	4.9
Illinois	223,701	13.5	22.9	17.0	18.3	9.9	5.3	4.1	4.3	4.8
Indiana	53,450	14.1	25.5	20.6	15.7	9.9	4.4	2.5	3.2	4.1
Iowa	33,170	14.2	23.7	20.4	17.6	8.7	6.5	2.4	2.9	3.5
Kansas	20,827	17.2	24.8	19.3	14.0	8.2	6.5	2.4	3.0	4.6
Kentucky	48,640	13.8	22.3	18.0	15.4	10.9	6.5	4.1	3.8	5.2
Louisiana	60,877	15.2	21.0	18.1	16.7	9.4	6.4	4.9	4.6	3.7
Maine	15,893	10.9	22.1	16.8	17.7	13.7	6.6	3.9	3.2	5.0
Maryland	64,155	16.4	24.3	18.4	16.4	9.1	5.3	2.4	3.8	3.8
Massachusetts	82,930	11.7	19.2	18.4	17.4	13.9	8.0	3.9	4.1	3.4
Michigan	212,515	11.5	22.6	20.8	18.6	10.2	6.6	3.2	2.9	3.8
Minnesota	45,390	15.3	24.2	18.6	16.8	10.3	5.1	3.3	2.2	4.2
Mississippi	45,269	17.4	20.9	13.0	13.7	8.7	6.0	5.0	7.2	8.0
Missouri	57,699	16.0	22.5	17.6	14.4	9.9	5.9	3.0	3.5	7.2
Montana	4,383	12.2	19.0	24.8	17.5	9.7	3.1	5.1	4.4	4.2
Nebraska	12,611	17.8	20.5	18.8	14.6	10.0	8.0	2.4	1.7	6.1
Nevada	4,467	16.4	23.6	15.2	11.9	6.4	4.9	2.7	3.9	14.9
New Hampshire	5,460	13.1	20.2	19.9	16.0	14.3	3.8	3.4	4.2	5.1
New Jersey	124,459	12.4	19.9	17.8	17.8	12.0	6.7	3.9	4.9	4.6
New Mexico	11,479	14.6	19.0	14.1	17.2	12.6	7.2	4.4	9.0	2.1
New York	333,241	9.8	18.4	17.9	18.4	14.0	10.3	5.1	4.6	1.5
North Carolina	57,558	14.4	20.4	15.4	15.2	8.7	6.7	3.8	6.9	8.6
North Dakota	3,486	16.9	20.0	15.8	16.9	10.3	7.4	5.6	2.9	4.4
Ohio	193,077	14.5	22.6	20.8	16.1	10.0	5.5	3.0	3.1	4.5
Oklahoma	22,164	14.1	20.7	16.6	15.3	11.3	3.9	3.4	10.0	4.8
Oregon	25,177	14.6	24.5	21.2	16.4	9.8	4.4	1.7	3.1	4.2
Pennsylvania	175,419	12.2	20.3	20.1	19.0	10.7	8.1	3.7	3.8	2.1
Rhode Island	13,031	11.8	20.9	17.1	20.7	10.6	4.7	4.7	4.1	5.5
South Carolina	40,503	17.0	22.6	17.8	14.1	8.8	5.9	3.1	5.3	5.4
South Dakota	4,613	16.0	24.9	13.3	17.9	10.1	4.4	4.7	7.2	1.6
Tennessee	51,135	16.3	21.3	17.3	14.2	8.9	6.2	3.9	5.3	6.7
Texas	95,679	13.7	20.6	17.0	15.6	9.3	6.9	3.9	8.5	4.5
Utah	11,618	13.8	23.8	21.9	16.0	10.7	3.7	1.6	3.8	4.7
Vermont	5,757	14.7	16.7	21.0	14.7	13.9	6.4	3.6	3.6	5.6
Virginia	55,317	14.7	22.2	18.3	15.1	9.4	5.7	3.5	5.4	5.7
Washington	48,150	15.0	22.8	17.9	19.0	10.8	5.0	3.3	2.5	3.6
West Virginia	19,118	16.5	21.0	18.0	20.1	9.2	6.5	3.7	2.0	3.0
Wisconsin	78,370	14.8	24.7	18.1	16.1	11.7	4.9	3.6	2.4	3.7

TABLE B–1.—FEMALE ADULT RECIPIENTS BY AGE, OCTOBER 1982–SEPTEMBER 1983—Continued

State	Total female adults	Age in years (per cent)								
		19–21	22–25	26–29	30–34	35–39	40–44	45–49	Over 49	Unknown
Wyoming	1,918	16.8	24.6	19.7	15.0	10.9	2.4	2.3	3.2	5.2
U.S. total	3,190,869	13.5	21.4	18.6	16.8	10.9	6.6	3.7	4.4	4.2

Source: Provided by the Administration, June 27, 1986.

TABLE B–2.—MALE ADULT RECIPIENTS BY AGE, OCTOBER 1982–SEPTEMBER 1983

State	Total male adults	Age in years (percent)								
		19–21	22–25	26–29	30–34	35–39	40–44	45–49	Over 49	Unknown
Alabama	1,806	1.4	7.2	7.1	12.9	10.0	12.9	14.4	27.1	7.1
Alaska	513	(1)	(1)	5.7	21.5	5.5	7.9	10.8	46.0	2.6
Arizona	1,374	4.2	10.6	14.9	10.7	17.0	12.8	4.3	23.4	2.1
Arkansas	1,096	3.7	3.7	5.6	9.3	13.1	9.3	13.0	42.4	(1)
California	111,609	5.5	16.5	16.9	17.5	13.0	9.6	6.6	13.3	1.1
Colorado	3,809	5.6	22.7	16.1	18.2	14.3	5.8	6.1	8.1	3.1
Connecticut	2,643	3.9	17.5	14.6	16.5	14.6	8.7	5.8	14.6	3.9
Delaware	787	8.0	4.1	20.2	7.8	23.9	12.1	16.0	8.0	(1)
District of Columbia	642	17.4	8.7	8.7	13.1	8.7	13.1	8.7	17.4	4.3
Florida	1,984	6.8	(1)	2.3	16.9	21.9	13.2	13.0	19.4	6.6
Georgia	2,622	6.8	8.1	12.1	8.1	21.6	5.4	13.5	20.2	4.1
Idaho	402	4.9	4.9	24.6	15.2	19.6	4.9	(1)	1..6	13.3
Illinois	27,447	5.6	17.6	15.7	17.5	15.8	7.9	5.6	12.7	1.7
Indiana	2,924	1.7	6.5	19.8	22.5	16.7	12.9	9.8	4.6	5.6
Iowa	5,451	7.8	20.1	17.1	20.1	12.8	9.8	4.4	5.9	1.9
Kansas	4,021	7.3	14.6	24.9	21.2	12.4	6.5	3.6	7.2	2.2
Kentucky	2,428	4.2	9.6	10.7	10.6	13.9	18.1	12.8	19.1	1.1
Louisiana	2,775	4.0	6.7	7.6	17.4	10.6	7.7	11.5	32.6	2.0
Maine	2,243	1.3	10.1	10.1	13.9	25.3	17.7	12.7	8.9	(1)
Maryland	5,308	3.7	13.4	16.6	23.0	13.4	11.8	6.4	9.6	2.2
Massachusetts	9,877	3.8	11.9	16.5	18.8	13.5	16.1	5.0	12.0	2.3
Michigan	53.557	5.7	18.3	22.1	21.2	12.9	10.0	3.4	5.7	.9
Minnesota	9,207	7.6	15.7	20.1	19.2	11.9	9.0	6.4	7.3	2.9
Mississippi	2,428	3.2	4.3	6.4	5.3	13.8	8.5	9.6	37.3	11.7
Missouri	4,062	2.6	7.8	14.1	18.1	16.0	12.2	12.9	15.6	.7
Montana	319	6.1	6.1	(1)	42.4	6.1	21.3	(1)	18.2	(1)
Nebraska	1,782	8.6	20.7	25.9	6.9	15.5	12.1	5.1	5.2	(1)
Nevada	108	12.3	24.5	(1)	25.8	(1)	(1)	(1)	37.4	(1)
New Hampshire	322	7.2	21.4	(1)	(1)	42.8	(1)	14.2	14.3	(1)
New Jersey	11,394	8.1	12.4	14.4	15.8	11.0	11.5	8.6	14.4	3.8
New Mexico	854	(1)	3.5	6.9	13.8	24.1	17.2	10.4	24.1	(1)
New York	38,256	6.9	14.2	17.2	16.1	15.3	13.4	7.7	8.5	.8
North Carolina	2,700	5.1	6.3	10.4	11.4	12.4	13.6	7.3	23.0	10.4
North Dakota	246	5.4	20.8	5.4	15.8	15.8	10.4	21.1	5.4	(1)
Ohio	43,413	6.6	19.8	22.4	16.0	12.3	10.2	6.2	5.2	1.4
Oklahoma	1,692	1.8	4.6	5.7	17.4	4.6	11.0	10.3	44.6	(1)
Oregon	2,093	6.4	8.9	5.1	22.0	21.5	8.8	13.0	14.2	(1)
Pennsylvania	31,933	9.6	14.0	19.6	18.2	13.0	9.1	7.6	8.3	.5
Rhode Island	1,593	(1)	11.6	21.8	11.6	20.0	13.2	6.7	15.1	(1)
South Carolina	1,491	4.8	9.1	6.7	8.3	16.3	15.5	16.1	21.8	1.4
South Dakota	203	(1)	18.3	36.6	9.8	(1)	18.3	(1)	17.0	(1)
Tennessee	2,600	2.9	7.8	13.7	12.7	13.7	12.7	6.9	26.5	3.0

TABLE B–2.—MALE ADULT RECIPIENTS BY AGE, OCTOBER 1982–SEPTEMBER 1983—Continued

State	Total male adults	Age in years (percent)								
		19–21	22–25	26–29	30–34	35–39	40–44	45–49	Over 49	Unknown
Texas	6,052	3.3	9.3	5.3	13.9	9.9	15.2	11.3	29.2	2.7
Utah	655	5.5	16.7	11.2	5.5	16.5	5.6	5.6	27.8	5.5
Vermont	1,256	1.8	25.4	7.2	14.6	14.6	16.5	3.6	16.3	(1)
Virginia	3,080	.9	3.4	12.0	22.2	11.9	10.3	15.4	20.6	3.4
Washington	3,955	4.1	13.1	10.3	16.6	18.6	9.0	8.3	16.6	3.4
West Virginia	7,592	8.6	17.5	12.2	17.9	15.1	11.1	7.5	7.5	1.8
Wisconsin	20,857	7.4	20.8	18.8	16.9	12.6	9.1	5.7	6.5	2.2
Wyoming	73	(1)	(1)	11.4	25.3	(1)	38.0	12.7	(1)	12.7
U.S. Total	445,534	6.0	15.7	17.4	17.4	13.6	10.4	6.7	11.1	1.6

[1] Not available.

Source: Provided by the Administration, June 27, 1986.

TABLE B–3.—AFDC FAMILIES, BY HIGHEST GRADE OF SCHOOL COMPLETED BY MOTHER, 1971

Census division and state	Total families	Highest grade of school completed							
		Elementary school			High school		College		Unknown
		Less than 5th grade or none	5th to 7th grade	8th grade	1st to 3d year	High school graduate	1st to 3d year	College graduate	
Total:									
Number	2,523,900	162,700	234,000	247,400	837,700	480,800	72,800	7,700	480,800
Percent	100.0	6.4	9.3	9.8	33.2	19.0	2.9	0.3	19.0
Census division:									
New England	134,000	4.5	6.0	10.7	37.8	24.8	3.4	0.7	12.2
Middle Atlantic	560,100	5.1	7.4	9.9	33.6	21.1	2.3	0.4	20.3
East North Central	363,500	2.8	7.7	11.6	43.9	21.0	2.1	0.2	10.6
West North Central	136,600	1.5	6.6	11.5	36.5	28.0	4.1	0.4	11.5
South Atlantic	321,800	7.5	15.8	12.0	36.6	14.2	2.0	0.1	11.8
East South Central	161,900	11.4	19.1	16.5	29.2	11.6	2.2	0.1	10.0
West South Central	183,000	11.4	14.0	9.6	28.9	13.7	1.5	0.1	20.8
Mountain	87,600	9.7	11.0	12.1	31.3	18.5	4.3	0.2	12.9
Pacific	517,000	2.8	4.0	4.5	27.4	20.9	5.0	0.5	35.0
Selected States:									
Alabama	42,600	7.7	18.1	12.2	34.0	14.3	1.6	0.2	11.7
California	440,000	2.7	4.0	3.8	26.2	19.5	4.8	0.3	38.6
Florida	70,200	6.3	10.5	10.7	27.9	14.5	3.0	0.1	26.9
Georgia	75,100	10.1	18.6	7.7	40.2	13.7	1.2	8.3	8.3
Illinois	120,300	3.7	10.6	12.8	45.0	17.3	2.5	0.2	7.9
Kentucky	37,600	15.7	17.6	18.4	26.3	9.6	3.5	0.0	9.0
Louisiana	54,100	11.3	20.3	8.1	34.8	14.2	2.8	0.2	8.3
Maryland	40,900	2.7	11.2	11.7	50.6	16.6	2.4	0.0	4.6
Massachusetts	72,300	4.6	4.8	9.5	38.6	25.9	4.4	0.7	11.5
Michigan	94,700	1.9	5.4	9.7	37.8	21.4	2.1	0.1	21.5
Mississippi	34,600	12.7	21.7	17.9	24.3	6.6	1.7	0.0	15.0
Missouri	48,500	2.9	11.1	19.0	40.2	17.9	2.7	0.2	6.0
New Jersey	86,200	5.2	7.3	9.7	36.8	20.1	2.2	0.1	18.6
New York	332,600	6.4	8.1	9.9	30.1	19.4	2.2	0.4	23.4
North Carolina	39,200	7.1	21.4	16.1	34.9	13.5	2.0	0.0	4.8
Ohio	91,500	2.6	7.3	11.1	50.4	22.0	2.3	0.1	4.2
Pennsylvania	141,300	1.7	6.1	9.8	39.8	25.8	2.4	0.4	13.9
Tennessee	47,100	10.2	19.5	17.8	30.8	14.2	1.9	0.0	5.5
Texas	84,000	12.3	9.5	7.5	21.8	9.4	0.7	0.0	38.8

TABLE B–3.—AFDC FAMILIES, BY HIGHEST GRADE OF SCHOOL COMPLETED BY MOTHER, 1971—Continued

Census division and state	Total families	Highest grade of school completed							
		Elementary school			High school		College		Unknown
		Less than 5th grade or none	5th to 7th grade	8th grade	1st to 3d year	High school graduate	1st to 3d year	College graduate	
Washington	42,500	3.8	4.0	8.0	36.2	29.6	5.4	1.9	11.1
Puerto Rico	57,800	51.4	16.6	4.7	4.0	1.7	0.3	0.2	21.1

Source: Provided by the Administration, June 27, 1986.

TABLE B–4.—NATURAL OR ADOPTIVE MOTHER IN HOME, BY HIGHEST GRADE OR LEVEL OF SCHOOL COMPLETED, MARCH 1979 [1]

HHS region and State	Total of such mothers	Highest grade or level of school completed									
		None or less than 5th grade	5th or 6th grade	7th grade	8th grade	9th grade	10th or 11th grade	High school graduate	Some college: Did not graduate	College graduate	Unknown
total:											
Number	3,122,346	59,894	48,738	49,062	136,888	171,527	477,706	588,172	85,605	12,356	1,492,398
Percentage	100.0	1.9	1.6	1.6	4.4	5.5	15.3	18.8	2.7	0.4	47.8
region:											
Region I	205,257	2.0	1.1	1.1	3.2	5.2	13.8	21.0	1.7	0.6	50.5
Region II	496,097	2.8	1.7	1.6	3.2	4.2	12.4	13.5	2.1	0.5	58.0
Region III	366,879	1.5	1.4	1.6	4.7	6.9	23.6	27.0	2.9	0.4	29.9
Region IV	446,913	2.3	3.2	3.5	7.0	8.1	17.3	17.0	2.5	0.4	38.9
Region V	685,497	1.7	1.1	1.0	4.7	5.4	18.3	22.8	3.0	0.3	41.7
Region VI	201,893	3.1	3.5	3.5	8.7	10.8	16.1	20.5	2.4	0.2	31.2
Region VII	112,506	0.8	0.5	1.0	3.9	4.5	13.6	22.0	3.6	0.4	49.8
Region IX	457,960	1.2	0.8	0.4	1.8	1.9	8.0	11.9	2.8	0.4	70.7
Region X	94,694	0.7	0.2	0.7	1.8	4.1	10.1	18.3	6.1	0.5	57.5
te:											
Alabama	53,994	1.1	2.3	3.7	4.8	9.0	18.3	21.1	3.1	0.6	36.1
Alaska	4,955	0.6	0.3	(2)	0.3	0.3	1.8	1.5	1.2	(2)	94.0
California	426,203	1.0	0.8	0.4	1.4	2.0	7.5	11.3	2.7	0.4	72.5
Connecticut	40,672	5.7	3.3	2.8	8.5	10.8	23.7	32.4	3.3	0.5	9.0
District of Columbia	27,683	1.3	0.6	0.6	3.5	6.6	13.9	9.8	1.9	(2)	61.7
Florida	73,773	0.6	2.1	0.5	2.1	2.1	4.8	8.0	0.7	0.5	78.9
Georgia	64,790	1.4	2.5	2.5	3.5	4.0	10.4	9.1	1.1	0.1	65.3
Illinois	190,240	4.7	2.6	1.2	7.6	5.6	22.0	21.5	3.1	0.4	31.3
Indiana	45,202	1.1	0.6	1.1	5.3	8.9	19.1	24.4	3.1	0.3	36.3
Iowa	29,237	0.2	0.7	0.7	5.2	7.9	18.3	41.3	4.5	0.7	20.3
Kansas	19,792	0.8	0.3	(2)	0.5	1.6	6.0	8.4	2.2	0.3	79.9
Kentucky	53,783	1.1	2.5	2.5	7.2	5.0	9.1	10.3	2.5	0.3	59.6
Louisiana	57,030	3.8	5.0	6.0	10.8	11.0	22.0	26.3	2.3	0.3	12.5
Maine	18,528	0.3	1.1	0.3	0.8	1.1	2.9	11.0	1.6	(2)	81.0
Maryland	65,609	1.2	(2)	0.7	1.2	2.1	8.5	7.3	0.7	0.2	78.0

Massachusetts	115,683	1.5	0.6	0.8	1.2	3.1	9.2	18.3	0.6	0.6	64.0
Michigan	188,761	0.7	(2)	0.3	0.8	1.8	4.9	7.9	0.8	0.1	82.6
Minnesota	45,150	0.1	(2)	(2)	1.0	1.9	4.6	13.3	2.6	0.3	76.1
Mississippi	47,387	7.4	7.9	5.8	12.7	12.4	25.3	20.8	4.0	0.8	2.9
Missouri	53,108	1.0	0.3	1.6	4.4	3.1	11.7	13.0	2.9	(2)	62.1
Nebraska	10,369	0.7	1.1	1.0	4.6	7.2	24.1	39.8	7.4	1.3	13.0
New Jersey	135,296	2.7	1.9	2.9	6.2	6.4	20.0	21.2	4.9	1.2	32.6
New York	324,289	1.2	1.3	1.0	2.2	3.7	10.3	11.7	1.1	0.2	67.4
North Carolina	59,653	2.4	2.0	3.1	6.4	10.4	22.9	24.5	3.2	0.4	25.0
North Dakota	4,382	(2)	0.9	0.8	7.3	5.9	15.7	35.9	10.6	1.4	21.4
Ohio	151,965	0.3	0.8	1.9	6.3	10.1	30.2	38.5	2.4	(2)	9.4
Oregon	39,168	0.4	0.4	0.0	1.6	3.4	7.9	12.6	4.5	0.3	69.0
Pennsylvania	190,630	1.0	1.4	1.5	5.3	8.3	31.4	39.7	3.5	0.5	7.3
Puerto Rico	35,794	17.4	4.1	2.4	1.5	1.2	2.4	1.5	0.3	0.3	69.0
South Carolina	42,548	3.1	3.5	7.4	11.8	15.0	28.4	23.3	2.9	0.3	4.4
Tennessee	50,985	2.8	4.0	5.1	12.2	11.9	28.1	25.0	3.4	(2)	7.4
Texas	79,945	2.2	3.8	1.6	9.7	9.4	9.4	11.3	1.1	(2)	51.6
Virginia	49,069	3.3	3.6	4.1	8.2	9.5	26.3	23.8	5.1	1.0	15.1
Washington	43,755	0.2	(2)	1.4	1.9	5.2	13.7	25.1	8.5	0.7	43.1
West Virginia	24,177	2.3	1.4	0.5	3.0	2.3	4.8	5.2	0.5	(2)	80.1

[1] Most recent data available.
[2] No sample cases.

Source: Provided by the Administration, June 27, 1996.

TABLE B–5.—PERCENTAGE OF AFDC RECIPIENTS WITH VARIOUS CHARACTERISTICS AND AVERAGE TOTAL DURATIONS OF AFDC RECEIPT

Recipient characteristics at time of first spell beginning	Percent of all first-time recipients (new beginnings)	Percent of recipients at any point in time [1]	Average number of years of AFDC receipt	Percent who will have AFDC spells of 10 or more years
Age:				
Under 22	30.0	35.9	8.23	32.8
22 to 30	40.7	41.9	7.08	25.8
31 to 40	11.8	8.8	5.15	15.0
Over 40	17.6	13.4	5.23	15.8
Race/ethnicity:				
White	55.2	47.7	5.95	19.6
Black	40.1	47.4	8.14	32.0
Other	4.8	4.8	6.94	25.5
Years of education:				
Under 9	9.7	9.6	6.81	24.5
9 to 11	37.6	41.9	7.65	29.2
Over 11	52.7	48.5	6.33	21.8
Marital status:				
Single	29.5	40.0	9.33	39.3
Divorced	28.1	20.2	4.94	13.7
Separated	32.3	31.9	6.80	24.4
Widowed	8.4	5.3	4.37	10.2
Number of children:				
0 to 1	43.4	48.7	7.71	29.7
2 to 3	42.8	37.3	6.04	20.1
Over 3	13.8	13.7	6.83	24.5
Age of youngest child:				
Under 3	51.3	60.4	8.09	31.9
3 to 5	22.5	22.3	6.79	24.2
6 to 10	19.7	12.9	4.51	11.3
Over 10	6.5	4.4	4.71	12.4
Work experience:				
Worked in the last 2 years	65.8	59.6	6.53	23.0
Did not work in the last 2 years	34.2	39.8	8.00	31.2
Disability status:				
No disability	81.6	81.4	6.85	24.8
Disability limits work	18.4	18.6	6.97	25.0

[1] These figures assume that the AFDC caseload is in a "steady state."

Source: David T. Ellwood, "Targeting Would-Be Long-Term Recipients of AFDC," Table IV–1. Simulation model estimates are based on the 15-year panel study of income dynamics. For each individual who began a first spell on or after the third sample year of the PSID, probabilities are predicted for exiting from first spell, for recidivism, and for exiting from later spells, based on the logit models reported in appendix table A.4. Then, using a technique described in appendix A, we constructed estimates of welfare dynamics.

TABLE B–6.—AFDC FAMILIES BY NUMBER OF MONTHS SINCE LAST OPENING, OCTOBER 1982—SEPTEMBER 1983

State	Total families	Number of months (percent)											
		0–6	7–12	13–18	19–24	25–36	37–48	49–60	61–120	121–180	181–240	Over 240	Unknown
Alabama	54,966	17.3	12.5	9.6	7.6	11.8	9.4	6.4	16.0	8.4	0.9	0.1	0
Alaska	4,558	29.4	18.5	9.2	6.3	10.2	6.9	3.9	14.0	9	(1)	(1)	.6
Arizona	24,156	26.4	18.6	11.4	8.5	11.9	7.3	4.6	8.6	1.6	.5	.5	.2
Arkansas	22,414	20.5	13.4	8.2	7.6	10.9	7.1	4.3	17.2	8.3	2.2	.4	0
California	538,692	17.7	15.0	10.4	9.0	14.1	9.0	6.1	12.5	4.8	1.0	.2	.1
Colorado	29,191	36.1	16.9	9.5	6.8	8.6	6.4	4.4	7.7	2.3	.4	.2	.8
Connecticut	43,881	12.3	11.7	8.1	7.4	12.9	8.9	7.4	19.7	8.3	2.9	.1	.4
Delaware	9,544	25.3	13.2	9.8	6.2	15.2	7.9	4.3	12.8	4.3	1.0	(1)	0
District of Columbia	23,838	9.1	8.1	7.4	7.6	11.1	10.2	7.1	21.9	13.8	2.5	.7	.6
Florida	103,344	22.8	14.1	9.9	6.5	12.8	7.5	5.1	15.4	4.6	1.1	.2	0
Georgia	88,816	17.4	12.8	8.7	7.0	12.7	8.8	6.4	15.3	9.0	1.4	.2	.2
Idaho	6,960	31.9	21.6	13.9	9.4	9.5	4.4	1.9	4.8	.3	.3	(1)	0
Illinois	236,418	15.5	12.2	8.1	7.2	12.1	9.2	6.6	17.3	8.3	2.3	1.3	0
Indiana	57,070	23.5	13.4	9.4	7.6	11.3	8.5	5.6	15.5	3.4	.7	.4	.7
Iowa	37,163	24.8	13.8	9.9	7.4	12.7	9.8	5.5	12.4	2.6	.4	.1	.5
Kansas	24,769	25.8	18.5	13.2	7.5	10.5	6.3	3.9	9.3	3.6	1.3	.1	.1
Kentucky	57,493	20.9	14.2	8.9	6.7	11.4	7.1	5.8	16.6	5.8	1.7	1.0	0
Louisiana	65,730	23.0	13.7	8.4	7.1	9.3	7.9	5.4	14.4	7.9	2.5	.5	0
Maine	17,029	24.5	14.2	10.0	7.8	10.5	8.3	6.5	13.7	4.2	.3	(1)	0
Maryland	70,400	17.9	12.9	8.9	7.5	11.2	8.2	7.0	17.5	6.4	1.7	.5	.2
Massachusetts	91,483	17.6	12.7	8.8	7.9	10.9	8.3	6.5	17.2	9.5	.5	.2	0
Michigan	240,069	19.8	14.7	9.6	7.5	12.6	8.8	6.2	12.9	7.5	.2	(1)	.2
Minnesota	47,718	23.8	14.4	9.9	8.3	12.7	7.9	5.4	12.4	3.5	.6	.1	.1
Mississippi	51,479	16.9	12.3	8.5	7.1	10.9	9.3	6.0	13.9	11.3	3.3	.5	0
Missouri	64,664	18.7	13.5	9.6	8.7	11.8	9.4	6.1	13.0	5.9	2.0	1.0	.1
Montana	6,517	48.8	16.1	10.6	7.4	7.0	3.9	1.9	2.7	1.0	(1)	(1)	.6
Nebraska	14,212	23.6	16.0	9.3	7.8	10.4	8.2	6.3	13.6	2.8	1.1	.9	0
Nevada	4,685	32.5	18.7	10.2	5.5	13.6	8.7	4.1	5.2	1.2	(1)	(1)	.3
New Hampshire	7,024	23.9	14.1	8.5	8.2	11.1	11.2	5.6	14.1	2.9	.3	(1)	0

TABLE B–6.—AFDC FAMILIES BY NUMBER OF MONTHS SINCE LAST OPENING, OCTOBER 1982—SEPTEMBER 1983—Continued

State	Total families	Number of months (percent)											
		0–6	7–12	13–18	19–24	25–36	37–48	49–60	61–120	121–180	181–240	Over 240	Unknown
New Jersey	132,541	10.7	10.8	9.7	8.3	10.7	9.1	7.9	20.9	9.3	2.1	.4	.1
New Mexico	17,626	20.4	11.7	8.5	8.2	10.2	7.2	8.0	14.5	6.5	2.7	.8	1.3
New York	360,372	12.1	8.8	7.0	7.2	11.2	12.8	9.2	20.4	9.7	.4	0	1.2
North Carolina	69,619	23.1	13.2	8.6	7.2	10.3	7.9	6.1	15.8	5.7	.9	.2	1.2
North Dakota	4,008	28.2	11.0	11.1	4.8	9.8	7.3	5.8	14.6	4.8	1.6	.9	0
Ohio	211,147	18.4	13.6	10.2	7.5	13.9	8.3	5.6	15.4	5.0	1.9	.2	0
Oklahoma	25,027	35.1	15.5	6.7	6.3	6.7	8.1	3.4	10.3	4.0	2.0	1.7	.2
Oregon	27,622	27.3	15.0	10.8	6.2	13.6	9.3	4.1	11.1	1.9	.3	.3	.2
Pennsylvania	194,097	15.4	8.4	6.5	6.2	10.6	8.1	7.1	22.6	10.8	3.2	1.2	.1
Rhode Island	15,938	13.1	9.6	9.5	8.2	12.5	10.2	6.8	21.9	5.7	1.3	.7	.5
South Carolina	49,424	14.8	9.9	7.0	6.8	11.6	8.6	6.5	21.0	8.2	.7	.2	4.8
South Dakota	5,978	27.2	15.8	11.5	10.7	11.6	5.5	4.3	8.8	4.1	.3	.3	0
Tennessee	58,265	18.0	14.1	10.4	7.5	11.1	8.7	6.3	15.0	7.5	1.2	.3	0
Texas	102,266	33.4	15.4	8.7	5.7	10.2	7.6	4.2	9.8	4.3	.5	.1	0
Utah	12,892	33.6	21.2	11.6	8.2	11.3	5.4	3.7	4.5	.3	(1)	(1)	.3
Vermont	7,280	22.0	14.4	10.3	6.6	13.8	7.8	6.9	17.5	.6	(1)	(1)	0
Virginia	60,396	16.9	13.3	10.0	6.8	12.5	10.0	8.2	15.0	5.9	.9	.3	.1
Washington	54,539	25.1	17.2	10.7	8.3	12.8	7.9	5.8	10.1	2.0	.2	(1)	0
West Virginia	28,368	27.9	18.3	9.7	6.2	9.9	6.9	5.4	11.1	3.1	1.4	(1)	.2
Wisconsin	87,798	24.5	14.4	10.6	8.5	13.2	10.6	5.0	9.5	2.8	.6	.1	.1
Wyoming	2,142	45.5	20.7	8.6	5.9	7.9	3.8	2.1	4.2	.4	.4	.4	0
U.S. total	3,571,937	18.9	13.1	9.1	7.5	12.0	9.0	6.4	15.4	6.6	1.3	.4	.3

[1] Not available.

Source: Provided by the Administration, June 27, 1986.

TABLE B–7.—AFDC RECIPIENT CHILDREN BY AGE, OCTOBER 1982–SEPTEMBER 1983

State	Total recipient children	Average age	Age in years (percent)									
			Unborn	Under 2	2	3	4	5	6	7	8	9
Alabama	107,742	8.1	0	13.9	7.5	6.8	7.1	5.7	5.9	5.2	5.3	5.1
Alaska	7,709	10.7	.3	14.1	9.1	7.4	6.8	5.6	6.3	5.6	4.6	3.7
Arizona	47,449	7.6	.5	14.2	9.8	8.2	5.5	7.8	6.2	5.7	5.9	5.1
Arkansas	44,651	8.0	(1)	10.9	8.7	7.0	7.2	7.6	6.6	6.4	6.0	5.5
California	1,060,407	8.1	1.9	14.8	8.0	7.0	6.5	6.0	6.7	5.7	4.6	5.1
Colorado	55,915	8.1	2.2	14.2	7.8	8.0	6.8	6.5	6.1	5.2	4.9	5.4
Connecticut	83,526	9.5	.9	13.5	7.7	6.8	8.2	6.5	5.4	4.9	5.0	4.6
Delaware	17,864	7.4	.7	18.7	10.7	7.0	8.4	6.1	5.5	4.0	4.4	3.7
District of Columbia	41,869	8.5	.5	14.6	8.8	6.7	5.5	5.8	6.7	4.7	5.0	5.3
Florida	202,045	7.7	.7	14.6	8.0	7.4	7.3	6.5	6.8	5.2	5.4	5.3
Georgia	163,199	8.2	.2	14.2	7.9	6.5	6.1	6.3	5.8	5.2	5.5	5.4
Idaho	12,422	10.1	2.7	15.8	7.8	8.9	7.9	8.0	7.4	6.8	5.1	5.6
Illinois	487,705	8.2	.2	15.2	7.4	7.3	6.1	6.4	6.3	5.5	5.3	5.2
Indiana	108,765	7.9	.1	13.8	8.7	8.0	6.2	6.9	6.4	5.7	5.8	5.7
Iowa	67,425	7.9	.3	14.9	8.7	7.2	6.9	7.0	5.1	6.0	5.9	5.6
Kansas	48,274	8.2	1.0	16.7	7.6	7.5	7.0	7.6	6.0	5.8	4.3	4.6
Kentucky	99,637	8.1	(1)	12.5	7.6	6.9	6.5	6.9	5.8	5.5	6.0	5.5
Louisiana	141,458	8.6	.4	12.1	8.8	7.5	7.0	7.2	6.2	5.9	5.2	4.9
Maine	31,077	8.6	.1	10.6	7.3	5.4	6.5	5.9	6.2	5.4	6.5	5.5
Maryland	124,024	8.0	1.1	15.9	7.8	6.7	7.7	6.1	5.4	5.3	4.4	4.3
Massachusetts	173,262	8.7	1.1	12.8	7.4	6.4	6.2	6.4	5.5	5.2	4.7	5.0
Michigan	468,581	9.6	3.1	11.6	7.2	7.1	6.3	6.3	6.2	5.2	5.4	5.4
Minnesota	86,934	7.3	.9	15.9	9.6	8.5	7.0	6.8	6.6	5.1	5.8	4.4
Mississippi	106,627	8.3	.2	13.7	7.7	7.0	7.1	6.2	6.1	5.6	5.2	5.0
Missouri	120,992	8.0	.1	13.9	8.7	6.7	7.0	6.3	6.0	5.8	5.8	4.9
Montana	12,455	12.6	1.9	13.8	6.8	7.2	6.5	6.9	6.7	5.0	5.1	6.7
Nebraska	29,103	7.2	2.7	20.0	8.1	7.7	6.5	6.3	6.5	5.0	4.1	4.5
Nevada	7,689	6.3	1.8	24.1	8.7	8.1	6.7	5.9	5.3	4.0	4.8	3.9
New Hampshire	12,529	10.1	.4	14.0	7.3	8.5	6.8	7.0	6.8	5.2	4.2	4.4
New Jersey	269,766	8.6	.1	12.0	7.3	6.9	7.4	6.2	5.7	5.7	5.2	5.1

TABLE B–7.—AFDC RECIPIENT CHILDREN BY AGE, OCTOBER 1982–SEPTEMBER 1983—Continued

State	Total recipient children	Average age	Age in years (percent)									
			Unborn	Under 2	2	3	4	5	6	7	8	9
New Mexico	33,492	13.0	1.1	13.0	8.0	6.7	5.1	6.6	4.4	5.5	5.4	5.2
New York	743,575	9.0	1.6	11.3	7.2	6.6	6.6	6.4	5.7	5.5	5.3	5.1
North Carolina	123,351	9.7	.1	12.7	7.6	6.3	7.0	5.7	5.6	5.0	5.1	5.3
North Dakota	7,361	8.5	1.2	12.5	8.1	7.5	8.5	7.0	7.6	4.0	6.6	4.4
Ohio	419,580	8.3	2.2	14.6	8.5	7.3	6.5	6.6	5.6	5.6	5.5	5.1
Oklahoma	50,299	8.2	(*)	13.0	8.1	8.1	8.2	5.9	5.2	5.7	5.8	5.4
Oregon	47,852	7.2	.6	15.4	11.1	8.7	8.4	5.8	6.3	5.5	4.7	5.4
Pennsylvania	382,095	9.1	.2	12.2	6.5	6.6	6.3	6.2	5.9	5.6	5.4	5.6
Rhode Island	29,640	10.4	3.2	13.9	8.0	7.0	6.2	5.4	5.5	5.1	5.4	4.2
South Carolina	89,667	8.2	.1	15.6	8.2	6.6	6.5	6.5	5.4	5.2	4.6	4.3
South Dakota	11,489	9.1	.2	16.2	8.0	7.3	7.6	7.0	6.3	5.1	5.4	4.0
Tennessee	104,107	8.0	1.0	14.8	8.0	7.0	6.8	5.9	5.7	5.0	5.3	4.9
Texas	219,160	8.0	.2	13.8	8.3	6.8	6.5	7.1	6.0	5.7	5.9	5.4
Utah	27,104	7.4	1.1	14.8	6.4	8.9	9.3	7.8	6.4	6.2	6.2	4.3
Vermont	12,506	11.3	.4	12.6	8.0	6.8	7.7	6.4	5.1	6.2	4.6	5.1
Virginia	105,294	8.0	(*)	14.0	8.2	7.4	7.2	7.0	6.1	4.8	5.4	5.2
Washington	95,562	7.5	1.1	14.8	9.2	7.3	6.9	7.1	6.8	6.1	5.4	4.4
West Virginia	54,105	8.2	.8	12.3	7.2	7.0	7.6	7.6	6.2	6.2	5.0	4.5
Wisconsin	171,545	8.4	2.3	14.3	8.7	7.3	6.7	6.1	5.3	6.0	5.1	4.7
Wyoming	3,660	8.0	3.4	16.0	10.4	6.3	8.6	9.1	5.8	6.6	4.9	3.7
U.S. total	6,973,534	8.5	1.1	13.6	7.8	7.0	6.7	6.4	6.0	5.5	5.2	5.1

State	Total recipient children	Average age	Age in years (percent)									
			10	11	12	13	14	15	16	17	18	Unknown
Alabama	107,742	8.1	4.9	5.6	5.0	4.8	4.7	4.6	3.9	3.6	0.1	0.3
Alaska	7,709	10.7	5.2	4.8	5.0	4.0	4.3	4.2	4.1	4.1	.9	(1)
Arkansas	44,651	8.0	5.1	5.2	4.8	4.3	3.7	4.2	3.7	2.9	.2	.0
California	1,060,407	8.1	4.6	4.3	4.9	4.5	3.7	4.2	3.3	3.2	.8	.3
Colorado	55,915	8.1	4.3	4.5	4.4	3.7	3.4	3.7	3.8	2.8	.6	1.9
Connecticut	83,526	9.5	4.7	5.6	5.3	4.2	4.4	4.0	3.8	3.3	1.0	.2
Delaware	17,864	7.4	2.5	5.6	3.7	4.5	3.5	4.1	4.4	2.1	.4	(1)
District of Columbia	41,869	8.5	5.1	4.9	5.0	4.6	3.7	3.7	3.8	3.5	1.9	.1
Florida	202,045	7.7	5.5	4.2	4.4	4.2	3.9	3.8	3.4	3.1	.3	(1)
Georgia	163,199	8.2	5.3	5.0	4.6	4.4	4.4	4.3	4.5	3.9	.2	.4
Idaho	12,422	10.1	2.2	3.5	4.2	4.5	2.1	3.3	1.6	1.7	.2	.8
Illinois	487,705	8.2	5.0	5.4	4.9	4.1	3.8	3.7	3.3	3.2	1.5	.1
Indiana	108,765	7.9	4.9	4.6	4.7	4.2	3.7	3.7	3.2	2.6	.4	.5
Iowa	67,425	7.9	4.5	5.0	4.6	4.3	3.5	3.6	3.3	2.9	.3	.3
Kansas	48,274	8.2	5.0	4.8	3.7	3.4	3.8	2.9	2.9	2.5	.9	.1
Kentucky	99,637	8.1	6.0	5.4	5.0	5.0	4.1	3.8	3.6	3.5	.4	.0
Louisiana	141,458	8.6	5.0	4.5	4.5	4.1	4.3	4.2	3.7	2.9	1.0	.6
Maine	31,077	8.6	5.2	5.6	5.3	5.0	5.4	4.4	5.0	3.9	.8	(1)
Maryland	124,024	8.0	4.6	4.9	4.7	4.0	4.5	4.2	3.9	3.5	.8	.2
Massachusetts	173,262	8.7	4.5	5.1	5.4	4.7	4.9	4.5	4.5	3.8	1.6	.2
Michigan	469,581	9.6	5.5	4.7	4.9	4.5	4.0	3.6	4.1	3.3	1.3	.3
Minnesota	86,934	7.3	4.3	4.5	4.4	3.7	3.4	3.4	2.4	2.1	.6	.5
Mississippi	106,627	8.3	4.6	4.5	5.4	4.3	4.6	4.4	4.3	3.9	.2	.1
Missouri	120,992	8.0	4.7	5.4	4.9	4.2	3.6	4.1	3.9	2.9	1.1	(1)
Montana	12,455	12.6	4.9	4.2	4.1	4.1	3.2	2.6	3.6	4.6	1.2	1.0
Nebraska	29,103	7.2	4.6	4.2	2.6	4.0	3.0	3.3	2.9	2.6	.5	.6
Nevada	7,689	6.3	6.2	4.3	5.1	2.9	3.0	1.4	1.6	1.4	(1)	(1)
New Hampshire	12,529	10.1	4.8	5.5	5.5	4.2	4.4	4.2	4.2	2.2	.4	(1)
New Jersey	269,766	8.6	4.8	5.3	6.0	4.9	4.4	4.6	4.1	3.2	.6	.4
New Mexico	33,492	13.0	4.0	5.4	4.7	4.8	5.4	4.8	2.9	5.1	1.7	.3
New York	743,575	9.0	4.3	4.5	5.1	4.8	4.8	4.6	4.1	4.1	2.2	.1
North Carolina	123,351	9.7	5.4	5.0	5.2	4.7	4.7	4.5	3.5	2.8	.8	2.9
North Dakota	7,361	8.5	5.2	5.7	3.1	4.1	5.0	3.5	3.5	2.2	.3	(1)
Ohio	419,580	8.3	4.5	4.8	4.4	3.7	3.8	3.3	3.3	3.3	1.0	.3

TABLE B–7.—AFDC RECIPIENT CHILDREN BY AGE, OCTOBER 1982–SEPTEMBER 1983—Continued

State	Total recipient children	Average age	Age in years (percent)									
			10	11	12	13	14	15	16	17	18	Unknown
Oklahoma	50,289	8.2	4.1	5.6	5.0	3.7	4.3	4.1	3.5	3.0	.4	1.1
Oregon	47,852	7.2	3.7	4.9	4.1	3.5	2.8	3.3	2.2	2.3	1.1	.1
Pennsylvania	382,095	9.1	5.3	5.8	5.3	4.4	4.1	4.9	4.2	3.4	2.0	(1)
Rhode Island	29,640	10.4	5.1	4.8	5.1	4.7	4.6	4.5	3.5	2.9	.7	.3
South Carolina	89,667	8.2	4.6	4.8	5.3	4.4	4.1	4.4	3.7	4.1	.7	.7
South Dakota	11,489	9.1	5.7	4.1	5.1	4.2	3.9	3.8	2.1	3.3	.5	.3
Tennessee	104,107	8.0	5.1	5.5	5.2	4.8	4.3	4.1	3.2	2.9	.2	.4
Texas	219,160	8.0	4.9	4.9	4.6	4.5	4.6	4.2	3.3	2.5	.7	.2
Utah	27,104	7.4	5.6	4.4	4.0	3.5	4.3	3.0	2.3	1.5	(1)	(1)
Vermont	12,506	11.3	4.9	4.7	5.8	4.0	6.2	3.6	3.3	3.5	.4	.7
Virginia	105,294	8.0	4.1	4.9	4.7	4.3	4.3	3.9	4.2	3.2	.6	.3
Washington	95,562	7.5	4.1	4.5	4.4	4.5	3.3	3.9	3.3	2.0	.6	.1
West Virginia	54,105	8.2	4.9	5.4	5.0	4.5	5.3	4.6	3.0	3.0	.2	.1
Wisconsin	171,545	8.4	4.9	4.5	4.8	4.5	3.9	3.6	3.2	2.8	.8	.4
Wyoming	3,660	8.0	2.8	4.2	3.7	3.2	2.7	3.7	1.5	2.5	.7	.3
U.S. total	6,973,534	8.5	4.8	4.9	4.4	4.1	4.1	4.1	3.7	3.3	1.0	.3

(1) Not available.

Source: Provided by the Administration, June 27, 1986.

TABLE B–8—AFDC FAMILIES BY REASON FOR DEPRIVATION OF THE YOUNGEST CHILD, OCTOBER 1982–SEPTEMBER 1983

State	Total families	Reason for deprivation (percent)							
		De-ceased parent	Incapac-itated parent	Unem-ployed parent	Divorced or legally separat-ed	Not legally separat-ed	Not married	Other	Un-known
Alabama	54,996	1.2	3.9	.1	11.6	14.9	62.5	1.2	4.6
Alaska	4,558	4.7	4.3	.3	23.2	12.8	39.1	2.7	13.0
Arizona	24,156	3.2	2.9	1.8	20.9	17.4	47.3	2.8	3.6
Arkansas	22,414	1.9	2.6	0.0	15.5	15.7	55.9	1.0	7.4
California	538,692	2.3	3.0	15.4	16.6	15.6	42.1	2.5	2.6
Colorado	29,191	1.4	4.0	8.3	25.7	15.2	36.6	4.1	4.7
Connecticut	43,881	.8	1.2	2.8	15.4	14.0	52.4	1.6	11.8
Delaware	9,544	1.3	1.6	3.9	9.9	12.5	66.0	2.0	2.7
District of Columbia	23,838	1.4	.6	3.2	3.2	10.5	70.6	5.0	5.5
Florida	103,344	1.4	1.1	0.0	13.2	18.6	56.8	2.9	5.9
Georgia	88,816	2.5	3.1	0.0	12.7	17.4	56.2	1.6	6.5
Idaho	6,960	1.1	2.0	0.0	27.4	15.4	26.3	6.6	21.2
Illinois	236,418	.9	1.9	6.4	10.8	16.5	56.9	.6	5.9
Indiana	57,070	1.1	2.5	.0	25.5	12.2	54.2	1.1	3.4
Iowa	37,163	1.7	2.9	8.1	35.1	14.6	33.2	1.5	3.0
Kansas	24,769	1.5	1.5	9.6	24.5	13.0	38.1	3.6	8.2
Kentucky	57,493	2.5	8.9	0.0	20.5	19.3	45.2	.9	2.7
Louisiana	65,730	1.5	3.2	0.0	9.2	16.5	63.2	1.9	4.4
Maine	17,029	1.5	7.2	0.0	45.0	9.2	35.0	1.0	1.2
Maryland	70,400	1.2	2.3	2.4	10.7	16.0	61.4	2.2	3.8
Massachusetts	91,483	1.9	3.1	5.8	21.8	21.7	39.2	3.0	3.5
Michigan	240,069	1.0	.9	17.4	21.8	11.1	36.1	3.2	8.3
Minnesota	47,718	1.3	1.8	13.2	28.3	9.4	41.8	2.6	1.6
Mississippi	51,479	2.0	3.0	0.0	8.1	14.3	62.4	.7	9.5
Missouri	64,664	2.0	3.9	.5	18.0	19.0	51.4	.4	4.9
Montana	6,517	0.0	2.4	.3	20.8	14.7	28.1	3.4	30.2
Nebraska	14,212	.4	2.2	9.1	20.6	12.8	50.9	1.7	2.4
Nevada	4,685	.3	.6	.6	14.2	18.1	58.7	4.4	3.2
New Hampshire	7,024	1.0	4.9	0.0	29.5	18.0	27.6	1.6	17.3
New Jersey	132,541	1.9	1.1	4.6	12.3	18.2	57.0	1.5	3.3
New Mexico	17,626	1.3	4.7	.3	16.0	11.4	36.6	3.2	26.5
New York	360,372	1.9	3.6	6.1	10.1	22.8	49.9	2.3	3.5
North Carolina	69,619	1.2	1.6	0.0	11.9	20.6	51.2	2.4	11.0
North Dakota	4,008	1.6	1.6	0.0	34.9	6.4	43.0	3.6	9.0
Ohio	211,417	1.0	2.4	14.9	21.2	10.8	41.8	2.9	5.1
Oklahoma	25,027	.8	4.1	0.0	22.3	18.5	48.2	1.7	4.4
Oregon	27,622	1.3	2.8	.2	27.7	18.7	44.5	1.6	3.2
Pennsylvania	194,097	1.2	3.6	8.3	15.9	19.0	49.2	1.9	.9
Rhode Island	15,938	1.3	4.7	3.5	23.0	13.8	36.2	1.5	15.9
South Carolina	49,424	1.6	2.9	.0	7.0	23.5	58.2	.7	6.1
South Dakota	5,978	2.8	1.5	0.0	18.6	12.4	48.8	2.7	13.2
Tennessee	58,265	1.6	3.5	0.0	14.3	16.6	55.3	2.7	6.1
Texas	102,266	2.2	4.0	.1	12.0	23.9	51.0	2.1	4.6
Utah	12,892	2.0	2.0	0.0	33.3	24.6	32.5	3.9	1.7
Vermont	7,280	.9	7.2	9.1	27.0	10.1	26.0	2.8	16.8

TABLE B–8—AFDC FAMILIES BY REASON FOR DEPRIVATION OF THE YOUNGEST CHILD, OCTOBER 1982–SEPTEMBER 1983—Continued

State	Total families	Reason for deprivation (percent)							
		Deceased parent	Incapacitated parent	Unemployed parent	Divorced or legally separated	Not legally separated	Not married	Other	Unknown
Virginia	60,396	1.6	4.1	.1	10.7	15.9	60.7	3.0	4.0
Washington	54,539	1.4	4.8	.1	30.0	17.9	39.2	3.1	3.6
West Virginia	28,368	.7	5.7	21.0	17.5	18.4	30.9	1.3	4.5
Wisconsin	87,798	1.2	1.8	16.9	26.4	5.1	40.6	2.6	5.3
Wyoming	2,142	1.2	2.1	.4	37.9	11.7	33.3	5.4	7.9
U.S. total	3,571,937	1.6	2.8	7.4	16.5	16.5	48.1	2.2	4.9

Source: Provided by the Administration, June 27, 1986.

TABLE B–9.—AFDC RECIPIENT CHILDREN, BY REASON FOR DEPRIVATION, OCTOBER 1982—SEPTEMBER 1983

State	Total children	Reason for deprivation (percent)							
		Deceased parent	Incapacitated parent	Unemployed parent	Divorced or legally separated	Not legally separated	Not married	Other	Unknown
Alabama	107,690	1.4	4.5	.1	14.7	19.8	58.1	1.2	.2
Alaska	7,682	4.9	4.9	.3	28.2	13.4	34.3	2.8	11.2
Arizona	47,214	3.5	3.2	1.6	26.4	19.4	42.0	2.6	1.2
Arkansas	44,651	1.8	3.1	(1)	19.1	18.6	56.6	.7	(1)
California	1,040,686	2.6	3.4	19.2	19.1	17.3	36.4	1.3	.7
Colorado	54,677	1.4	4.7	8.4	30.3	16.7	33.0	2.7	2.7
Connecticut	82,755	1.2	1.3	3.4	17.7	17.1	49.3	.9	9.1
Delaware	17,737	1.8	1.6	5.0	11.4	12.8	63.9	3.0	.5
District of Columbia	41,646	1.4	.6	2.7	4.6	12.3	71.9	5.1	1.5
Florida	200,552	1.4	1.5	(1)	16.5	21.7	57.3	1.6	(1)
Georgia	162,914	2.5	3.9	(1)	16.0	21.6	54.5	1.5	.0
Idaho	12,090	.8	2.5	.2	34.4	16.4	22.9	2.9	20.0
Illinois	486,885	1.2	2.2	7.2	13.1	19.5	55.6	.5	.6
Indiana	108,625	1.2	3.6	.1	31.0	13.1	49.8	.9	.3
Iowa	67,240	1.9	3.5	9.1	41.3	14.4	26.8	1.5	1.5
Kansas	47,804	1.9	1.7	10.7	29.6	13.7	34.4	2.4	5.6
Kentucky	99,637	2.5	10.2	(1)	25.0	19.7	41.6	.9	(1)
Louisiana	140,950	2.1	3.8	(1)	12.5	19.3	60.7	1.1	.6
Maine	31,049	1.7	7.9	(1)	53.0	9.2	26.4	1.8	(1)
Maryland	122,663	1.7	2.6	3.2	13.3	19.9	57.8	1.0	.4
Massachusetts	171,284	2.2	4.5	7.2	25.2	24.2	34.5	1.4	.8
Michigan	455,152	1.3	1.2	19.7	25.7	12.3	32.1	1.0	6.6
Minnesota	86,132	2.0	1.6	16.8	32.2	10.8	35.0	1.6	(1)
Mississippi	106,447	2.7	4.0	(1)	10.8	18.1	63.4	.6	.4
Missouri	120,912	2.0	4.9	.4	21.5	21.5	49.1	.5	(1)
Montana	12,212	.2	3.0	.2	28.3	14.1	22.8	1.0	30.5
Nebraska	28,304	.3	2.9	11.1	25.6	14.6	43.8	1.1	.5
Nevada	7,552	.2	1.3	.4	21.0	19.6	56.6	.9	(1)
New Hampshire	12,483	.7	6.8	(1)	35.3	19.4	21.8	1.1	14.9
New Jersey	269,440	1.9	1.4	5.3	14.8	21.2	52.8	1.5	1.2
New Mexico	33,138	2.2	5.9	.2	18.7	13.9	32.8	1.5	24.8
New York	731,580	2.2	4.0	6.9	11.8	26.2	47.0	1.6	.1

TABLE B–9.—AFDC RECIPIENT CHILDREN, BY REASON FOR DEPRIVATION, OCTOBER 1982—SEPTEMBER 1983—Continued

State	Total children	Reason for deprivation (percent)							
		Deceased parent	Incapacitated parent	Unemployed parent	Divorced or legally separated	Not legally separated	Not married	Other	Unknown
North Carolina	123,210	1.3	2.1	.0	13.3	24.4	47.5	2.8	8.5
North Dakota	7,274	1.7	2.0	(1)	44.0	6.5	37.9	2.1	5.8
Ohio	410,283	1.3	2.7	16.9	25.5	11.9	37.5	1.4	2.8
Oklahoma	50,289	1.5	3.3	(1)	25.3	20.1	46.1	1.9	1.7
Oregon	47,561	1.3	2.8	.3	34.3	21.1	37.8	1.7	.8
Pennsylvania	381,466	1.6	4.6	9.4	18.1	21.9	42.6	1.7	(1)
Rhode Island	28,681	1.9	5.4	4.4	27.0	15.8	30.7	.8	14.0
South Carolina	89,570	1.9	4.0	.1	9.0	28.7	54.7	.9	.9
South Dakota	11,469	2.2	2.1	(1)	23.9	13.7	43.3	4.6	10.2
Tennessee	103,088	1.4	4.6	(1)	17.4	19.4	55.3	1.9	.0
Texas	218,796	2.0	5.6	.1	16.4	28.2	45.2	1.9	.6
Utah	26,812	2.7	1.5	(1)	41.9	24.5	26.5	2.4	.5
Vermont	12,461	.7	8.1	10.3	35.0	12.7	18.3	2.2	12.8
Virginia	105,294	1.6	4.6	.1	14.0	19.2	57.2	3.1	.2
Washington	94,525	1.8	6.5	.1	36.2	20.3	33.0	1.8	.3
West Virginia	53,671	.7	6.9	24.1	20.5	18.2	27.4	1.3	.9
Wisconsin	167,635	1.4	2.0	19.5	29.9	6.3	36.3	.9	3.6
Wyoming	3,535	1.5	2.5	.3	49.6	13.9	26.8	.5	5.0
U.S. Total	6,895,400	1.8	3.4	8.7	19.5	19.0	44.3	1.4	1.7

1 Not available.

Source: Provided by the Administration, June 27, 1983.

TABLE B–10.—AFDC FAMILIES, BY STATUS OF THE FATHER WITH RESPECT TO THE FAMILY, 1971

Census division and State	Total families	Status of father														
		Dead	Incapacitated	Unemployed or employed part time, and—			Absent from the home							Other status		Unknown
				Enrolled in work or training program	Awaiting enrollment after referral to WIN	Neither enrolled nor awaiting enrollment	Divorced	Legally separated	Separated without court decree	Deserted	Not married to mother	In prison	Other reason	Stepfather case	Children deprived of support or care of mother	
Number	2,523,900	108,700	246,300	54,700	30,300	67,600	358,700	73,800	325,000	382,700	700,000	53,300	31,300	66,600	22,900	2,000
Percent	100.0	4.3	9.0	2.2	1.2	2.7	14.2	2.9	12.9	15.2	27.7	2.1	1.2	2.6	0.9	0.1
us division:																
New England	134,000	2.7	7.3	1.7	0.6	2.3	23.7	5.4	17.0	10.8	19.3	2.1	1.5	5.1	0.4	0.1
Middle Atlantic	560,100	4.1	8.0	2.5	0.9	3.1	6.8	4.0	13.8	24.3	27.5	1.9	1.7	0.4	1.0	0.1
East North Central	363,500	3.6	5.5	1.8	1.7	2.7	16.7	3.3	11.0	14.7	31.1	2.5	0.8	4.3	0.2	0.1
West North Central	136,600	4.4	8.0	1.0	0.4	0.9	27.4	2.7	12.4	9.1	24.9	1.8	1.4	4.0	0.9	0.0
South Atlantic	321,000	5.6	11.0	1.1	0.2	0.6	7.0	2.1	11.7	10.5	35.1	2.6	1.1	2.0	0.2	0.1
East South Central	161,900	8.6	15.1	0.0	0.0	0.0	11.5	1.4	8.2	14.0	34.7	2.2	1.2	1.6	1.2	0.2
West South Central	183,000	5.0	12.1	0.1	0.0	0.1	14.4	2.4	13.4	11.4	36.9	2.3	0.8	0.6	0.6	0.0
Mountain	87,600	4.1	12.8	3.9	0.1	1.4	25.2	1.3	9.9	9.9	23.3	1.4	2.2	4.2	0.2	0.1
Pacific	517,000	2.9	8.8	4.5	3.3	6.4	19.4	2.6	15.6	6.8	22.0	2.0	0.9	3.3	1.3	0.1
ted States:																
Alabama	42,600	8.7	16.2	0.0	0.0	0.0	6.8	1.9	10.6	13.1	36.9	3.3	0.9	1.2	0.2	0.2
California	440,000	2.6	8.5	4.5	3.4	6.0	18.2	2.7	16.0	7.0	23.4	1.9	0.7	3.3	1.3	0.1
Florida	70,200	5.6	7.0	0.0	0.0	0.0	10.7	1.9	10.1	19.1	38.9	2.7	0.9	3.0	0.3	0.0
Georgia	75,100	8.5	10.0	0.0	0.0	0.0	7.3	1.5	10.0	20.9	34.5	2.7	0.8	3.6	0.1	0.1
Illinois	120,300	3.2	4.7	2.9	2.0	3.2	9.6	1.3	9.6	22.6	36.2	2.1	0.7	1.7	0.2	0.1
Kentucky	37,600	10.9	17.3	0.0	0.0	0.0	19.7	1.6	7.2	13.0	27.1	2.7	0.5	0.0	0.0	0.0
Louisiana	54,100	5.0	13.3	0.0	0.0	0.0	0.1	1.8	17.4	8.7	42.1	1.1	0.4	0.7	1.3	0.0
Maryland	40,900	2.4	8.6	0.7	0.0	2.2	5.9	3.4	20.8	13.2	34.2	2.4	1.2	4.6	0.0	0.2
Massachusetts	72,300	2.6	8.0	2.5	0.4	2.8	24.2	7.1	16.5	10.7	17.0	3.0	1.7	3.5	0.1	0.0
Michigan	94,700	3.4	4.4	1.7	1.7	3.2	18.6	4.5	16.4	7.9	27.7	2.3	0.7	7.3	0.0	0.2

Mississippi	34,600	7.2	13.9	0.0	0.0	0.0	5.8	0.9	5.5	15.3	41.6	0.9	2.0	1.7	4.9	0.3
Missouri	48,500	5.6	10.1	0.4	0.2	0.2	19.3	0.8	12.8	10.7	33.6	2.1	1.0	2.9	0.2	0.0
New Jersey	86,200	4.2	4.9	3.4	1.0	5.5	6.3	2.3	13.9	20.6	32.3	2.7	1.6	0.5	0.5	0.1
New York	332,600	4.8	6.3	1.9	0.4	1.7	6.3	4.6	13.4	28.3	27.7	1.9	1.6	0.2	0.9	0.0
North Carolina	39,200	7.4	13.8	0.0	0.0	0.0	3.3	2.3	11.5	20.2	36.2	3.3	1.3	0.3	0.5	0.0
Ohio	91,500	4.4	6.3	1.6	2.4	3.2	20.2	2.4	11.1	12.7	28.9	2.7	0.3	3.4	0.1	0.2
Pennsylvania	141,300	2.5	13.6	3.3	1.6	4.9	8.2	3.6	14.6	17.2	24.3	1.5	2.1	0.8	1.4	0.1
Tennessee	47,100	7.6	13.4	0.0	0.0	0.0	13.4	1.3	8.9	14.6	33.5	1.9	1.5	3.2	0.4	0.2
Texas	84,000	3.9	10.0	0.0	0.0	0.0	14.6	3.2	10.8	15.8	36.5	3.9	0.6	0.2	0.2	0.0
Washington	42,500	3.1	9.9	3.8	3.8	0.9	28.7	2.4	14.4	6.1	13.6	1.9	1.6	1.2	0.7	0.0
Puerto Rico	57,800	4.2	38.6	0.0	0.0	0.0	2.1	0.5	5.4	32.9	3.8	1.4	1.4	2.4	7.3	0.2

Source: Provided by the Administration, June 27, 1986.

B–11.—FEMALE ADULT RECIPIENTS BY EMPLOYMENT STATUS, OCTOBER 1982–SEPTEMBER 1983

State	Total female adults	Employed status (percent)					
		Employed part time	Employed full time	Employed other	Not employed	Unemployed	Unknown
Alabama	46,790	3.5	0.9	0.1	58.0	9.7	27.8
Alaska	3,714	4.4	3.7	(a)	75.0	14.3	2.6
Arizona	21,579	1.1	.9	.1	82.7	14.1	1.1
Arkansas	21,395	2.8	1.9	.1	72.3	14.7	8.2
California	474,188	4.1	1.5	.2	71.1	18.6	4.5
Colorado	25,084	6.5	1.5	.1	70.4	17.7	3.7
Connecticut	37,816	3.7	1.5	.1	73.1	20.0	1.6
Delaware	8,445	3.4	.7	.4	75.7	19.3	.7
District of Columbia	20,154	2.9	1.5	(a)	68.0	25.6	1.9
Florida	89,175	2.9	1.6	.4	77.0	13.1	5.0
Georgia	74,234	2.9	1.3	.0	59.2	15.5	21.0
Idaho	5,051	7.7	2.1	.8	75.0	14.1	.4
Illinois	223,701	2.5	.9	.1	77.5	16.9	2.0
Indiana	53,450	3.8	1.0	.3	64.1	13.9	17.0
Iowa	33,170	9.0	1.5	.6	74.9	13.4	.5
Kansas	20,827	4.1	.8	.8	72.7	20.3	1.3
Kentucky	48,640	1.3	.4	.3	68.2	26.5	3.3
Louisiana	60,877	2.3	1.6	.2	80.8	11.1	4.1
Maine	15,893	6.3	2.9	1.1	64.5	24.8	.5
Maryland	64,155	2.8	.8	.3	71.9	23.1	1.1
Massachusetts	82,930	7.8	1.8	.2	72.5	16.2	1.5
Michigan	212,515	3.5	1.1	.2	48.1	45.1	2.1
Minnesota	45,390	9.6	2.3	.5	68.6	17.0	1.9
Mississippi	45,269	5.2	1.9	.5	71.5	8.0	13.0
Missouri	57,699	5.1	.5	.2	87.5	4.9	1.8
Montana	4,383	8.6	3.3	(a)	65.1	20.8	2.2
Nebraska	12,611	7.3	3.4	.2	77.3	8.5	3.2
Nevada	4,467	2.5	.9	.3	79.5	10.7	6.1
New Hampshire	5,460	5.5	2.5	1.3	73.0	16.9	.8
New Jersey	124,459	3.1	.7	.1	76.9	17.0	2.3
New Mexico	11,479	3.6	.3	(a)	82.1	12.5	1.5
New York	333,241	3.0	1.7	.0	77.7	16.1	1.5
North Carolina	57,558	2.2	2.7	.1	62.1	12.7	20.2
North Dakota	3,486	6.2	3.3	1.5	66.6	18.9	3.6
Ohio	193,077	2.3	.8	.0	73.2	20.7	2.9
Oklahoma	22,164	4.0	3.3	.2	30.3	59.8	2.4
Oregon	25,177	10.7	3.0	.9	53.4	27.1	4.9
Pennsylvania	175,419	2.5	.6	.1	63.5	32.9	.4
Rhode Island	13,031	3.5	1.0	.4	67.8	26.9	.4
South Carolina	40,503	1.9	.6	.1	75.2	11.0	11.2
South Dakota	4,613	8.6	1.2	.9	78.0	9.3	2.0
Tennessee	51,135	1.1	.7	.0	73.8	21.0	3.3
Texas	95,679	1.5	1.0	.2	79.7	15.1	2.4
Utah	11,618	6.9	6.6	(a)	72.7	12.2	1.6
Vermont	5,757	8.7	6.7	.4	63.5	17.9	2.8

B–11.—FEMALE ADULT RECIPIENTS BY EMPLOYMENT STATUS, OCTOBER 1982–SEPTEMBER 1983—Continued

State	Total female adults	Employed status (percent)					
		Employed part time	Employed full time	Employed other	Not employed	Unemployed	Unknown
Virginia	55,317	3.7	1.6	.5	64.3	16.5	13.4
Washington	48,150	5.0	2.4	.3	76.6	15.0	.6
West Virginia	19,118	1.7	.7	.3	76.7	19.6	1.0
Wisconsin	78,370	7.7	3.7	.6	75.0	12.5	.5
Wyoming	1,918	9.9	2.4	(a)	64.6	22.6	.4
U.S. total	3,190,869	3.7	1.4	.2	70.7	19.7	4.3

[1] "Unemployed" includes those who meet the Department of Labor's definition of the term—generally those who are unemployed and are looking for work. "Not employed" includes all others who are not working.
[a] Not available.

Source: Provided by the Administration, June 27, 1986.

TABLE B–12.—MALE ADULT RECIPIENTS BY EMPLOYMENT STATUS, OCTOBER 1982–SEPTEMBER 1983

State	Total male adults	Employment status (percent)					
		Employed part time	Employed full time	Employed other	Not employed [1]	Unemployed [1]	Unknown
Alabama	1,806	2.9	(a)	(a)	52.9	12.8	31.4
Alaska	513	7.8	5.2	(a)	46.1	35.7	5.2
Arizona	1,374	(a)	2.1	(a)	61.7	34.0	2.1
Arkansas	1,096	1.8	7.3	1.8	70.5	11.1	7.4
California	111,609	4.9	1.5	.2	24.0	65.4	4.0
Colorado	3,809	6.5	1.6	(a)	33.0	54.9	3.9
Connecticut	2,643	7.8	1.0	(a)	33.0	50.5	7.8
Delaware	787	11.9	4.1	(a)	27.7	56.4	(a)
District of Columbia	642	4.4	4.3	(a)	52.2	26.1	13.0
Florida	1,984	(a)	6.4	(a)	61.2	19.8	12.6
Georgia	2,622	2.7	2.7	(a)	56.8	16.3	21.6
Idaho	402	5.4	(a)	(a)	50.4	44.2	(a)
Illinois	27,447	5.0	2.2	.9	31.5	58.7	1.6
Indiana	2,924	5.4	1.0	1.0	58.4	12.3	21.8
Iowa	5,451	6.8	2.0	2.0	34.2	54.6	.5
Kansas	4,021	3.0	(a)	2.2	18.2	73.0	3.6
Kentucky	2,428	1.1	(a)	(a)	72.3	19.2	7.4
Louisiana	2,775	.9	6.7	(a)	71.0	9.7	11.6
Maine	2,243	3.8	6.3	6.3	58.2	25.3	(a)
Maryland	5,308	1.6	1.1	(a)	45.0	49.2	3.2
Massachusetts	9,877	5.4	1.9	(a)	40.7	47.3	4.7
Michigan	53,557	6.1	1.1	.5	17.2	73.4	1.6
Minnesota	9,207	5.2	1.5	(a)	23.5	65.4	4.4
Mississippi	2,428	2.1	3.2	1.1	62.8	4.3	26.6
Missouri	4,062	1.2	(a)	(a)	83.3	13.5	2.0
Montana	319	(a)	(a)	(a)	33.4	48.5	18.2
Nebraska	1,782	10.3	3.4	(a)	27.6	56.9	1.7
Nevada	108	(a)	(a)	(a)	25.2	(a)	74.8
New Hampshire	322	(a)	(a)	(a)	85.6	7.2	7.2
New Jersey	11,394	2.4	2.9	.5	34.9	53.6	5.8
New Mexico	854	3.4	3.5	(a)	82.7	10.4	(a)
New York	38,256	3.0	3.1	(a)	49.1	42.9	1.9
North Carolina	2,700	3.1	6.3	1.0	56.1	11.5	21.9
North Dakota	246	15.8	(a)	(a)	52.3	15.8	16.1
Ohio	43,413	3.2	.8	(a)	21.2	70.7	4.2

TABLE B–12.—MALE ADULT RECIPIENTS BY EMPLOYMENT STATUS, OCTOBER 1982–SEPTEMBER 1983—Continued

State	Total male adults	Employment status (percent)					
		Employed part time	Employed full time	Employed other	Not employed [1]	Unemployed [1]	Unknown
Oklahoma	1,692	4.6	5.7	(a)	52.8	25.9	11.0
Oregon	2,093	5.1	8.9	1.2	37.2	39.2	7.8
Pennsylvania	31,933	3.7	1.0	.5	20.4	73.5	1.0
Rhode Island	1,593	1.6	1.6	(a)	55.2	39.9	1.6
South Carolina	1,491	(a)	2.8	1.4	65.1	10.4	20.3
South Dakota	203	9.8	(a)	(a)	73.2	8.5	8.5
Tennessee	2,600	(a)	2.0	(a)	61.8	24.5	11.8
Texas	6,052	1.4	5.3	.6	73.5	2.9	5.3
Utah	655	(a)	5.5	(a)	55.7	22.0	16.7
Vermont	1,256	5.5	1.8	(a)	38.1	54.6	(a)
Virginia	3,080	4.3	3.4	(a)	64.1	12.8	15.4
Washington	3,955	2.8	4.1	(a)	69.7	18.6	4.8
West Virginia	7,592	2.9	(a)	(a)	22.1	72.9	2.1
Wisconsin	20,857	5.7	2.2	1.5	21.7	66.8	2.1
Wyoming	73	(a)	25.3	(a)	38.0	25.3	11.4
U.S. total	445,534	4.3	1.9	.4	31.2	58.2	4.0

[1] "Unemployed" includes those who meet the Department of Labor's definition of the term—generally those who are unemployed and are looking for work. "Not employed" includes all others who are not working.

[a] Not available.

Source: Provided by the Administration, June 27, 1986.

APPENDIX C

AFDC Enrollment and Benefit Data

TABLE C–1.—AFDC ENROLLMENT: MONTHLY AVERAGE NUMBER OF CASES AND RECIPIENTS, BY STATE, FISCAL YEAR 1985

State	Total number of cases	Total number of recipients	Number of cases, UP [1]	Number of recipients, UP [1]
Alabama	52,342	150,961	0	0
Alaska	6,349	15,873	0	0
Arizona	25,475	72,092	0	0
Arkansas	21,919	64,173	0	0
California	553,016	1,618,983	78,447	356,581
Colorado	27,708	79,114	760	3,305
Connecticut	41,759	121,715	1,081	4,948
Delaware	9,032	24,204	141	607
District of Columbia	22,425	58,368	231	840
Florida	96,949	271,437	0	0
Georgia	84,807	238,541	0	0
Hawaii	16,171	50,621	1,211	5,739
Idaho	6,247	17,232	0	0
Illinois	240,120	734,594	15,831	68,942
Indiana	57,015	165,427	0	0
Iowa	39,946	122,703	4,928	22,161
Kansas	22,818	67,355	1,925	7,948
Kentucky	59,387	159,592	0	0
Louisiana	76,232	230,279	0	0

TABLE C–1.—AFDC ENROLLMENT: MONTHLY AVERAGE NUMBER OF CASES AND RECIPIENTS, BY STATE, FISCAL YEAR 1985—Continued

State	Total number of cases	Total number of recipients	Number of cases, UP [1]	Number of recipients, UP [1]
Maine	19,773	57,150	780	3,330
Maryland	72,131	194,671	1,462	6,273
Massachusetts	86,417	235,425	1,835	8,041
Michigan	225,185	690,565	34,991	145,388
Minnesota	51,344	151,710	7,144	31,354
Mississippi	51,922	154,776	0	0
Missouri	66,455	196,914	3,689	15,901
Montana	7,887	22,479	178	720
Nebraska	15,283	44,231	1,335	5,753
Nevada	4,725	13,709	0	0
New Hampshire	5,414	14,341	0	0
New Jersey	124,530	367,006	4,682	18,798
New Mexico	17,972	50,648	0	0
New York	373,141	1,111,938	16,214	69,200
North Carolina	63,506	165,530	0	0
North Dakota	4,431	12,406	0	0
Ohio	224,400	672,513	36,818	152,960
Oklahoma	28,036	81,753	0	0
Oregon	27,847	73,937	0	0
Pennsylvania	186,342	560,763	14,343	60,250
Rhode Island	15,770	43,744	217	928
South Carolina	43,476	119,762	0	0
South Dakota	5,850	16,408	0	0
Tennessee	57,035	155,047	0	0
Texas	120,182	362,947	0	0
Utah	12,890	38,043	0	0
Vermont	7,795	22,433	706	2,947
Virginia	58,434	153,584	0	0
Washington	64,492	177,865	5,675	23,715
West Virginia	33,591	105,796	9,933	41,144
Wisconsin	95,466	288,247	16,492	71,665
Wyoming	3,812	10,036	0	0
Guam	1,628	5,689	292	1,414
Puerto Rico	53,490	172,822	0	0
Virgin Islands	1,347	4,224	0	0
U.S. total	3,691,610	10,812,295	261,340	1,130,750

[1] Unemployed Parent category.

Source: Data provided by Administration, June 27, 1986.

TABLE C–2.—BENEFITS TO AFDC FAMILY OF THREE, BY STATE, JULY 1985–JUNE 1986

State	AFDC	Food stamps	LIHEAP	Total
Alabama	$1,416	$2,523	$101	$4,040
Alaska	8,754	2,352	435	11,541
Arizona	3,156	2,423	128	5,707
Arkansas	2,304	2,523	110	4,937
California	7,044	1,261	131	8,436
Colorado	4,152	2,128	380	6,660
Connecticut	5,844	1,621	520	7,985
Delaware	3,543	2,311	355	6,209

TABLE C–2.—BENEFITS TO AFDC FAMILY OF THREE, BY STATE, JULY 1985–JUNE 1986—Continued

State	AFDC	Food stamps	LIHEAP	Total
District of Columbia	3,924	2,197	303	6,424
Florida	2,952	2,488	126	5,566
Georgia	2,775	2,511	160	5,446
Hawaii	5,616	3,428	100	9,144
Idaho	3,648	2,279	210	6,137
Illinois	3,624	2,287	226	6,137
Indiana	3,072	2,452	308	5,832
Iowa	4,446	2,040	264	6,750
Kansas	4,398	2,054	242	6,694
Kentucky	2,364	2,523	126	5,013
Louisiana	2,280	2,523	101	4,904
Maine	4,611	1,991	300	6,902
Maryland	3,948	2,189	295	6,432
Massachusetts	5,184	1,819	560	7,563
Michigan	4,740	1,952	134	6,826
Minnesota	6,336	1,473	430	8,239
Mississippi	1,440	2,523	179	4,142
Missouri	3,288	2,387	223	5,898
Montana	3,984	2,179	404	6,567
Nebraska	4,200	2,114	350	6,664
Nevada	3,420	2,348	200	5,968
New Hampshire	4,668	1,973	454	7,095
New Jersey	4,848	1,919	328	7,095
New Mexico	3,096	2,445	194	5,735
New York	5,826	1,626	229	7,681
North Carolina	2,952	2,488	147	5,587
North Dakota	4,452	2,038	500	6,990
Ohio	3,480	2,330	163	5,973
Oklahoma	3,608	2,291	140	6,039
Oregon	4,731	1,955	202	6,888
Pennsylvania	4,278	2,090	178	6,546
Rhode Island	5,472	1,732	350	7,554
South Carolina	2,352	2,523	117	4,992
South Dakota	3,432	2,344	339	6,115
Tennessee	1,836	2,523	218	4,577
Texas	2,174	2,523	63	4,760
Utah	4,512	2,020	265	6,797
Vermont	6,372	1,462	440	8,274
Virginia	3,492	2,326	326	6,144
Washington	5,544	1,711	162	7,417
West Virginia	2,988	2,477	142	5,607
Wisconsin	6,506	1,422	246	8,174
Wyoming	4,320	2,078	230	6,628

AFDC. Amounts shown are those paid for basic needs to a family of one adult and two children with no income or special needs in each State's highest caseload area, and are taken from information in approved State plans for AFDC.

Food Stamps. Amounts were computed using the AFDC benefit as the only income and applying the maximum shelter deduction as well as the standard deduction. The actual amounts used are as follows:

	48 States and D.C.	Alaska	Hawaii
Monthly food stamp allotment:			
July to September 1985	$298	$290	$319
October 1985 to September 1986	311	293	327
Monthly standard deduction:			
July to September 1985	95	182	134
October 1985 to September 1986	98	184	139

	48 States and D.C.	Alaska	Hawaii
Monthly ceiling on shelter expense deductions:			
July to September 1985	134	233	192
October 1985 to April 1986	139	242	199
May to June 1986	147	256	210

LIHEAP: Low Income Home Energy Assistance Program (LIHEAP) figures shown represent State-provided estimates of average heating benefits for the fiscal year 1986 heating period, which typically started in October or November 1985 and ended at the end of April 1986 or before. The average LIHEAP household size was determined to be 2.53 persons in fiscal year 1983.

Average heating benefits for Hawaii and Tennessee were derived by CRA by dividing the total amount of funds estimated by the State to be used for heating benefits by the total number of households the State estimated it would serve in the heating component.

Source: Provided by the Administration, June 27, 1986.

TABLE C–3.—AFDC JANUARY 1986 BREAKEVEN POINTS, FAMILY OF 4, FIRST 4 MONTHS, BY STATE

	Child care, $0, work expense, $75		185 percent of need std.	Effective breakeven	Breakeven as a percent of—	
	AFDC maximum	Computed breakeven			Poverty level	Minimum wage
Alabama	147	$326	$888	$326	35	56
Alaska	800	1,305	1,480	1,305	142	225
Arizona	282	528	522	522	57	90
Arkansas	224	441	505	441	48	76
California	698	1,152	1,291	1,152	126	198
Colorado	420	735	944	735	80	127
Connecticut	572	963	1,058	963	105	166
Delaware	349	629	646	629	69	108
District of Columbia	399	704	1,476	704	77	121
Florida	284	531	866	531	58	91
Georgia	264	501	799	501	55	86
Hawaii	547	924	1,010	924	101	159
Idaho	344	621	1,160	621	68	107
Illinois	368	657	1,319	657	72	113
Indiana	316	579	672	579	63	100
Iowa	419	734	775	734	80	126
Kansas	420	735	777	735	80	127
Kentucky	246	474	455	455	50	78
Louisiana	234	456	1,317	456	50	79
Maine	465	803	1,186	803	88	138
Maryland	395	698	1,010	698	76	120
Massachusetts	505	863	953	863	94	149
Michigan	441	767	892	767	84	132
Minnesota	616	1,029	1,140	1,029	112	177
Mississippi	144	321	605	321	35	55
Missouri	320	585	675	585	64	101
Montana	425	743	949	743	81	128
Nebraska	420	735	777	735	80	127
Nevada	341	617	631	617	67	106
New Hampshire	442	768	818	768	84	132
New Jersey	465	803	860	803	88	138
New Mexico	313	575	579	575	63	99
New York	566	954	1,047	954	104	164
North Carolina	269	509	995	509	55	88
North Dakota	454	786	840	786	86	135
Ohio	360	645	1,497	645	70	111
Oklahoma	349	629	1,079	629	69	108
Oregon	482	828	892	828	90	143
Pennsylvania	429	749	1,339	749	82	129
Rhode Island	467	806	864	806	88	139

TABLE C–3.—AFDC JANUARY 1986 BREAKEVEN POINTS, FAMILY OF 4, FIRST 4 MONTHS, BY STATE—Continued

	Child care, $0, work expense, $75		185 percent of need std.	Effective breakeven	Breakeven as a percent of—	
	AFDC maximum	Computed breakeven			Poverty level	Minimum wage
South Carolina	239	464	821	464	51	80
South Dakota	371	662	686	662	72	114
Tennessee	186	384	764	384	42	66
Texas	221	437	1,278	437	48	75
Utah	430	764	1,497	764	83	131
Vermont	596	999	1,685	999	109	172
Virginia	347	626	714	626	68	108
Washington	544	921	1,584	921	100	159
West Virginia	312	573	1,153	573	62	99
Wisconsin	649	1,079	1,413	1,079	118	186
Wyoming	390	690	722	690	75	119

Source: Provided by the Administration, June 27, 1986.

TABLE C–4.—AFDC JANUARY 1986 BREAKEVEN POINTS, FAMILY OF 4, MONTHS 5–12, BY STATE

	Child care, $0, work expense, $75		185 percent of need std.	Effective breakeven	Breakeven as a percent of—	
	AFDC maximum	Computed breakeven			Poverty level	Minimum wage
Alabama	147	$252	$888	$252	27	43
Alaska	800	905	1,480	905	99	156
Arizona	282	387	522	387	42	67
Arkansas	224	329	505	329	36	57
California	698	803	1,291	803	88	138
Colorado	420	525	944	525	57	90
Connecticut	572	677	1,058	677	74	117
Delaware	349	454	646	454	50	78
District of Columbia	399	504	1,476	504	55	87
Florida	284	389	866	389	42	67
Georgia	264	369	799	369	40	64
Hawaii	546	651	1,010	651	71	112
Idaho	344	449	1,160	449	49	77
Illinois	368	473	1,319	473	52	81
Indiana	316	421	672	421	46	73
Iowa	419	524	775	524	57	90
Kansas	420	525	777	525	57	90
Kentucky	246	351	455	351	38	60
Louisiana	234	339	1,317	339	37	58
Maine	465	570	1,186	570	62	98
Maryland	395	500	1,010	500	55	86
Massachusetts	505	610	953	610	67	105
Michigan	441	546	892	546	60	94
Minnesota	616	721	1,140	721	79	124
Mississippi	144	249	605	249	27	43
Missouri	320	425	675	425	46	73
Montana	425	530	949	530	58	91
Nebraska	420	525	777	525	57	90
Nevada	341	446	631	446	49	77
New Hampshire	442	547	818	547	60	94
New Jersey	465	570	860	570	62	98

TABLE C–4.—AFDC JANUARY 1986 BREAKEVEN POINTS, FAMILY OF 4, MONTHS 5–12, BY STATE—Continued

	Child care, $0; work expense, $75		185 percent of need std.	Effective breakeven	Breakeven as a percent of—	
	AFDC maximum	Computed breakeven			Poverty level	Minimum wage
New Mexico	313	418	579	418	46	72
New York	566	671	1,047	671	73	116
North Carolina	269	374	995	374	41	64
North Dakota	454	559	840	559	61	96
Ohio	360	465	1,497	465	51	80
Oklahoma	349	454	1,079	454	50	78
Oregon	482	587	892	587	64	101
Pennsylvania	429	534	1,339	534	58	92
Rhode Island	467	572	864	572	62	99
South Carolina	239	344	821	344	38	59
South Dakota	371	476	686	476	52	82
Tennessee	186	291	764	291	32	50
Texas	221	326	1,278	326	36	56
Utah	439	544	1,497	544	59	94
Vermont	596	701	1,685	701	76	121
Virginia	347	452	714	452	49	78
Washington	544	649	1,584	649	71	112
West Virginia	312	417	1,153	417	45	72
Wisconsin	649	754	1,413	754	82	130
Wyoming	390	495	722	495	54	85

Source: Provided by the Administration, June 27, 1986.

TABLE C–5.—AFDC JANUARY 1986 BREAKEVEN POINTS, FAMILY OF 4, AFTER 12 MONTHS, BY STATE

	Child Care, $0; work expense, $75		185 percent of need std.	Effective breakeven	Breakeven as a percent of—	
	AFDC maximum	Computed Breakeven			Poverty level	Minimum wage
Alabama	147	$222	$888	$222	24	38
Alaska	800	875	1,480	875	95	151
Arizona	282	357	522	357	39	61
Arkansas	224	299	505	299	33	51
California	698	773	1,291	773	84	133
Colorado	420	495	944	495	54	85
Connecticut	572	647	1,058	647	71	111
Delaware	349	424	646	424	46	73
District of Columbia	399	474	1,476	474	52	82
Florida	284	359	866	359	39	62
Georgia	264	339	799	339	37	58
Hawaii	546	621	1,010	621	68	107
Idaho	344	419	1,160	419	46	72
Illinois	368	443	1,319	443	48	76
Indiana	316	391	672	391	43	67
Iowa	419	494	775	494	54	85
Kansas	420	495	777	495	54	85
Kentucky	246	321	455	321	35	55
Louisiana	234	309	1,317	309	34	53
Maine	465	540	1,186	540	59	93
Maryland	395	470	1,010	470	51	81
Massachusetts	505	580	953	580	63	100

TABLE C–5.—AFDC JANUARY 1986 BREAKEVEN POINTS, FAMILY OF 4, AFTER 12 MONTHS, BY STATE—Continued

	Child Care, $0; work expense, $75		185 percent of need std.	Effective breakeven	Breakeven as a percent of—	
	AFDC maximum	Computed Breakeven			Poverty level	Minimum wage
Michigan	441	516	892	516	56	89
Minnesota	616	691	1,140	691	75	119
Mississippi	144	219	605	219	24	38
Missouri	320	395	675	395	43	68
Montana	425	500	949	500	55	86
Nebraska	420	495	777	495	54	85
Nevada	341	416	631	416	45	72
New Hampshire	442	517	818	517	56	89
New Jersey	465	540	860	540	59	93
New Mexico	313	388	579	388	42	67
New York	566	641	1,047	641	70	110
North Carolina	269	344	995	344	38	59
North Dakota	454	529	840	529	58	91
Ohio	360	435	1,497	435	47	75
Oklahoma	349	424	1,079	424	46	73
Oregon	482	557	892	557	61	96
Pennsylvania	429	504	1,339	504	55	87
Rhode Island	467	542	864	542	59	93
South Carolina	239	314	821	314	34	54
South Dakota	371	446	686	446	49	77
Tennessee	186	261	764	261	28	45
Texas	221	296	1,278	296	32	51
Utah	439	514	1,497	514	56	89
Vermont	596	671	1,685	671	73	116
Virginia	347	422	714	422	46	73
Washington	544	619	1,584	619	68	107
West Virginia	312	387	1,153	387	42	67
Wisconsin	649	724	1,413	724	79	125
Wyoming	390	465	722	465	51	80

Source: Provided by the Administration, June 27, 1986.

APPENDIX D

General Population Data

TABLE D–1.—NUMBER AND PERCENT OF MOTHERS IN LABOR FORCE WITH CHILDREN UNDER 18, MARCH OF SELECTED YEARS, 1950–85

[Numbers in thousands]

Selected years	Civilian labor force			As percent of population			
	Total, with children under 18	With children 6 to 17 years only	With children under 6	Total with children under 18	With children 6 to 17 years only	With children under age 6	With children under age 3
March of:							
1950	4,626	2,925	1,701	21.6	32.8	13.6	NA
1955	6,522	4,048	2,474	27.0	38.4	18.2	NA
1960	8,018	5,120	2,898	30.4	42.5	20.2	NA
1965	9,682	6,000	3,682	35.0	45.7	25.3	NA
1970	12,214	7,642	4,572	42.1	51.5	32.3	NA
1975	14,467	8,875	5,592	47.3	54.8	38.8	34.1

TABLE D–1.—NUMBER AND PERCENT OF MOTHERS IN LABOR FORCE WITH CHILDREN UNDER 18, MARCH OF SELECTED YEARS, 1950–85—Continued

[Numbers in thousands]

Selected years	Civilian labor force			As percent of population			
	Total, with children under 18	With children 6 to 17 years only	With children under 6	Total with children under 18	With children 6 to 17 years only	With children under age 6	With children under age 3
1980	17,790	11,252	6,538	56.6	64.3	46.8	41.9
1985	20,041	11,826	8,215	62.1	69.9	53.5	49.5

Note: Children are defined as "own" children of the family. Included are never-married daughters, sons, stepchildren, and adopted children. Excluded are other related children such as grandchildren, niece, nephews, and cousins, and unrelated children.

Source: U.S. Department of Labor, Bureau of Labor Statistics, June 1986.

TABLE D–2.—STATUS OF CHILDREN: 1960–84

[In thousands]

	1960	1970	1975	1980	1984
Children under 18					
Total in population	63,727	69,162	64,165	63,427	62,1398
Living with 1 parent	5,832	8,199	11,245	12,466	14,025
As percent of all children	9.2	11.9	17.5	19.7	22.6
Living with never-married parent	243	557	1,198	1,820	3,360
As percent of all children	.4	.8	1.9	2.9	5.4
Receiving Aid to Families with Dependent Children [1]	2,314	6,214	8,095	7,419	7,200

[1] Includes some children age 18 to 22.

Source: Based on Census and DHHS publications.

APPENDIX E

Employment and Training Programs for AFDC Applicants and Recipients—Summaries of Selected Evaluation Findings

Office of Family Assistance, Family Support Administration, Department of Health and Human Services

The Office of Family Assistance (OFA) has been following a research and demonstration strategy to test work requirement provisons for welfare recipients and applicants. That strategy originated with Federal legislation to authorize states to operate work programs, notably through the Omnibus Budget Reconciliation Act of 1981 (OBRA) and the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). Both OBRA and TEFRA established work programs as options for States to reduce welfare dependency through increased employment of applicants and recipients. Projects to test work program provisions have been conducted under section 1115 of the Social Security Act.

Attached are brief summaries of major evaluation findings from 8 final reports which we have received and reviewed to date: "Arkansas WIN Demonstration WORK Program"; "San Diego Job Search and Work Experience Demonstration"; "Maryland Employment Initiatives Program"; "Subsidized Employment Program" (Ohio); "North Carolina Community Work Experience Program"; "South Carolina Community Work Experience Program"; "Wash-

ington Community Work Experience Program" (Washington State); "Intensive Applicant Employment Services" (Washington State).

Following each summary is the name and address of the agency or organization from which the full report may be obtained.

E-1.—ARKANSAS WIN DEMONSTRATION: WORK PROGRAM, ARKANSAS DEPARTMENT OF HUMAN SERVICES

The WORK Program was implemented to test an alternative to the WIN (Work Incentive) program, with the goal of achieving greater AFDC employment service participation than WIN. Arkansas received a Federal waiver of the WIN requirement that mothers or caretaker relatives of children under 6 years of age are not required to register for employment-related activities and, instead, mandated registration for those whose youngest child was 3 or older. Project participants assigned to the experimental group where subject to a fixed sequence of required activities: a 2-week group job search or job club, up to 60 days of individual job search and, for those still unemployed after both activities, up to 12 weeks of work experience. On completion of this sequence, participants could be reassigned to any program activities. Those assigned to the control group were excluded from participation for the duration of the research period.

The principal findings were:

1. Participation rates surpassed those achieved under the former WIN Program: 38 percent compared to approximately 20 percent.

2. Although utilization of the work experience component was lower than expected, a majority of participants sampled believed that the work requirement was fair and said that they liked their jobs.

3. Mandatory participation in the WORK Program increased employment and earnings among AFDC applicants and recipients. Earnings for mandatory participants increased by one-third over the control group level. Earnings increased approximately 36%.

4. Welfare expenditures for the WORK program participants were reduced. The percent receiving welfare at the end of the follow-up period was reduced 7 percentage points. There was a 15 percent reduction in welfare expenditures.

5. The program worked as effectively for mothers with preschool children as it did for parents with children of school age. Both employment and welfare impacts were of similar magnitude.

Cost-benefit analysis showed that:

1. Taxpayers experienced a net gain from the WORK Program that ranged from $209 to $1,177 per enrollee over five years.

2. The net value of the WORK Program from the perspective of the government budget was positive.

3. The average cost of the WORK Program was low.

Final reports: Manpower Demonstration Research Corporation, Office of Publications, Three Park Avenue, New York, New York 10016, (212) 532-3200.

E-2.—SAN DIEGO JOB SEARCH AND WORK EXPERIENCE DEMONSTRATION, CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

Both AFDC single parents and AFDC-U parents (unemployed principal earners in two-parent families) participated in one of the two following project models:

Job Search.—One-day placement assistance provided at the welfare office preceded registration with the Employment Preparation Program (EPP). EPP was a three-week job search workshop offering one week of orientation and training and two weeks of self-directed job-search in a group setting in order to improve participant's job seeking methods.

Job Search/Work Experience.—In this model, following the job search workshop, those still unemployed and on welfare were required to participate in the Community Work Experience Program (CWEP), involving a position in a public or private nonprofit agency for up to 13 weeks.

The control group was composed of participants who received limited Work Incentive program (WIN) services.

Among project evaluation findings are:

Impacts on AFDC-Basic Applicants.—1. The Job Search/CWEP sequence led to substantial increases in employment and earnings for AFDC-Basic participants. Average earnings of those in Job Search/CWEP were 23 percent higher than those for the control group. These gains were sustained over time.

2. Overall, Job Search alone improved employment and, to a lesser extent, earnings for the AFDC group, but these impacts were not consistent.

3. Job Search alone produced modest welfare savings which were not sustained after 6 quarters.

4. These results lead to the strong conclusion that job search followed by a short-term work requirement is an effective program sequence for AFDC single parents. The effects of job search alone in San Diego, though positive, were less consistent.

5. Analysis of selected subgroups confirms the findings from other studies that employment programs for welfare recipients have larger impacts on those who are more disadvantaged—that is, those with no recent employment experience or with some prior welfare dependency.

Impacts on AFDC-U Applicants

For both program models (Job Search and Job Search/CWEP), there were statistically significant and substantial reductions in welfare payments, an average of $470 for Job Search only participants and $530 for Job Search/CWEP participants. The impacts on the employment and earnings of AFDC-U applicants were not statistically significant.

1. Although the Job Search/CWEP sequence produced slightly greater welfare benefit savings than Job Search alone for AFDC-U's, the difference between the models was not significant on any of the measures.

2. Examination of impacts on subgroups of AFDC-U applicants reveals larger reductions in welfare payments and great-

er increases in earnings among those with some prior welfare dependency as compared to those with no prior dependency.

Program Efficiency

Cost-benefit analysis indicated that budget savings for both AFDC and AFDC–U over five years exceeded short-term costs and that benefits resulted at all levels of government: Federal, State, and local.

Final reports: Manpower Demonstration Research Corporation, Office of Publications, Three Park Avenue, New York, New York 10016.

E–3.—MARYLAND EMPLOYMENT INITIATIVES PROGRAM, MARYLAND DEPARTMENT OF HUMAN RESOURCES

The Maryland project, which served AFDC applicants and recipients, had two separate models: Options, in Baltimore, and the Basic Employment Training Program (BET) in a rural country (Wicomico). The Options goal was to achieve sustained self-sufficiency thr.ugh increased earnings and job retention. Participants chose from the following components: world-of-work orientation, job search (including group workshops, individual job search direct referral to jobs, direct job placement), work experience, and education and training (tutoring, basic skills, GED, and classroom skills training). Options had a job search component, but the program was time-limited. BET, with its emphasis on immediate job placement, offered a fixed sequence of job search (3 weeks) followed by GED, or vocational training, or work experience (13 weeks). Project registrants in BET and Options included both single AFDC parents and AFDC–U parents (principal earners in two-parent families). In Baltimore, the research design included random assignment to control and experimental groups. Primary findings from a process, impact, and benefit-cost evaluation of Options, include the following:

1. The population served by Options was notably disadvantaged, although varied in its demographic and socioeconomic characteristics.
2. Options staff made an effort to serve enrollees in all major demographic and socioeconomic subgroups, including those whose members had relatively little prior employment experience.
3. Although there were employment gains for the AFDC Options' enrollees, there were no reductions in welfare receipt or grant expenditures.
4. A higher proportion of Options experimentals than controls were working in the short run, but in jobs with similar levels of earnings. Just under half of both the experimentals and the controls were employed in full-time minimum-wage jobs.
5. Earnings impacts in the long-term appear to continue and even increase after the short-term observation period. For one subsample of 1,017 participants, earnings were higher in the sixth, seventh, and eighth quarters after entering the research sample than in the preceding 5 quarters. In the eighth quarter,

experimentals earned an average of $780 and the controls, an average of $623. The $157 difference is statistically significant and represents a 25 percent increase in average experimental earnings compared to the control group mean.

6. When only the budget effects are considered, the estimated budgetary gains and savings are less than the program's costs.

7. The program was not cost-beneficial for those in the AFDC–U group.

Final reports: Manpower Demonstration Research Corporation, Office of Publications, Three Park Avenue, New York, New York 10016.

E–4.—NORTH CAROLINA COMMUNITY WORK EXPERIENCE PROGRAM, NORTH CAROLINA DEPARTMENT OF HUMAN RESOURCES

Under Federal waivers, North Carolina (in 6 counties) gave varying emphases to required participation in CWEP project components: job search, job preparation, and work experience. Both AFDC applicants and recipients participated in the project, which was evaluated in 1983 and 1984. Because the research design was based on a comparison of a limited number of counties with and without CWEP, the differences (although in the expected direction) were not statistically significant except where indicated. Findings on project effectiveness were in the following areas:

1. *CWEP and the AFDC Caseload.*—As a group, the CWEP counties showed smaller caseload increases than expected when the economic situation was poor (1983), and larger declines than expected when it improved (1984).

2. *Effects of CWEP on Economic Independence.*—CWEP participants left AFDC due to earned income increases at a greater rate in both 1983 and 1984 than did AFDC recipients in non-CWEP counties. Once employed, a higher percentage of former CWEP participants than former AFDC recipients retained employment for at least six months. A lower percentage of former CWEP participants returned to the AFDC program at the end of six months than the percentage of former recipients returning in the non-CWEP counties. NOTE: This difference was statistically significant.

3. *Kinds of Unsubsidized Jobs that CWEP Participants Get and How They Felt About Them.*—Former CWEP participants and former AFDC recipients in non-CWEP countries both tended to get unsubsidized jobs paying at or near the minimum wage. Over 60% of CWEP participants got services or manufacturing jobs. CWEP participants were generally satisfied with their jobs, but a relatively large percentage felt that their chances for a raise (49%) or a promotion (57%) are poor.

4. *No Displacement of Regular Employees.*—No evidence was found by worksite sponsors that CWEP participants displaced regular employees.

5. *Changes in Public Attitudes Toward the AFDC Program and AFDC Recipients.*—Surveys of elected officials in CWEP counties before and after program implementation found significantly more positive attitudes after exposure to the pro-

gram. The same surveys were administered in a group of socially and economically similar non-CWEP counties. Although attitudes in CWEP counties were more positive, the differences weren't great enough to conclude that they were all due to CWEP.

Regarding program efficiency.—The best estimates of welfare savings accruing are $2.14 for each dollar spent in 1983 and $1.85 for each dollar spent in 1984.

Final reports: Planning and Information Section, Division of Social Services, Department of Human Resources, Raleigh, North Carolina 27611.

E–5—SUBSIDIZED EMPLOYMENT PROGRAM OHIO DEPARTMENT OF HUMAN SERVICES

Under the Subsidized Employment Program (SEP), AFDC participants' grants were diverted as subsidies to potential employers. The project was implemented in 8 counties to test the incentive effect of the subsidies in hiring participants. It was expected that SEP, in conjunction with other work program components, like CWEP and job search, would result in increased employment, reduced AFDC caseload or reduced caseload growth, and reduced welfare costs or reduced increase in costs.

Statistics generated by the project were insufficient for valid and reliable evaluation findings. The following results, however, were among those attributed to the work programs, including SEP:

1. An employment increase, in 7 of the 8 experimental counties, twice as great as that in the control counties.
2. Twice as much caseload reduction in the experimental over the control counties.
3. The 8 SEP counties experienced a net welfare cost reduction and the control counties, a net increase.

Final reports: Ohio Department of Human Services, 30 East Broad Street Columbus, Ohio 43215.

L–6.—SOUTH CAROLINA COMMUNITY WORK EXPERIENCE PROGRAM, SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES

The South Carolina CWEP project goal was to cost-efficiently train or re-train AFDC recipients in skills for obtaining unsubsidized employment. CWEP operated in an urban and a rural county. AFDC recipients participated in an 18-module video course on job finding. Those who did not find jobs after the course received work experience assignments in public and private non-profit agencies and organizations. The project evaluation, conducted under contract, employed experimental and comparison groups and included an administrative review as well as AFDC recipient and worksite supervisor surveys. The following were among evaluation findings:

1. The direct cost of operating CWEP as compared to the proposed project cost was substantially less. The agency also utilized existing resources effectively but the actual indirect cost could not be determined.
2. Although the project was understaffed and support resources existed only within the urban areas of the counties, a cost-efficient method for placing AFDC recipients into work en-

vironment was developed—22 percent of the experimentals, as compared to 8 percent of the controls obtained unsubsidized employment.

3. Savings from reduced AFDC grants and from employment might have been higher if private for-profit worksites were developed and if South Carolina had not had record unemployment during the project period.

Final reports: The South Carolina Department, of Social Services, P.O. Box 1520, Columbia, South Carolina 29202.

E-7.—WASHINGTON COMMUNITY WORK EXPERIENCE PROGRAM, WASHINGTON DEPARTMENT OF HEALTH AND SOCIAL SERVICES

The purpose of the Washington CWEP project was to provide work experience assignments for AFDC recipients to assist them in finding employment in the competitive job market. CWEP's complement was the State's Employment and Training (E&T) program, which offered job search and job search counseling. Findings from an evaluation of the work program's two major components, which employed a comparison group, were in the following areas:

1. CWEP Provision of Work Training and Experience: CWEP provided work experience to more disadvantaged recipients—CWEP participants as a group had averaged only 18 months of employment in the five years prior to the program, compared to 27 months of employment for E&T clients.

2. CWEP and E&T Assistance in Finding Unsubsidized Employment: Thirty percent of CWEP participants and 39 percent of E&T participants found unsubsidized employment during or after participating in the programs, compared to 14 percent of comparison group cases. Research findings suggest that CWEP work experience may compensate for lack of high school or a GED better than does participation in the E&T job club.

3. Reductions in Public Assistance Associated with CWEP and E&T Participation: AFDC savings realized from increased employment in CWEP and E&T, compared to program costs during the study year, yielded a benefit-cost ratio of $1.00:.70. Program expenditures exceed grant savings by $25,512, after program costs of $85,565 were subtracted. However, savings from grant reductions following the study year would have recouped the remaining program expenditures within 7 months.

Final reports: Program Research and Evaluation Section, Office of Research and Data Analysis, Division of Administration and Personnel, Department of Social and Health Services, Olympia, Washington 98504.

E-8.—INTENSIVE APPLICANT EMPLOYMENT SERVICES, DEPARTMENT OF SOCIAL AND HEALTH SERVICES, STATE OF WASHINGTON

This project was designed to test the effectiveness of the mandatory applicant job search program prior to legislation authorizing IV-A job search. The State also used section 1115 waiver authority to include AFDC caretakers with children over 3 years of age as mandatory program registrants and to delay processing applications for up to 30 days pending completion of the job search requirement.

The original project design involved the random assignment of matched pairs of welfare offices to either experimental or control status. A mandatory job search program was implemented in those offices selected for experimental treatment while a voluntary program was offered in the control offices.

Because there were virtually no volunteers in the control offices and because of the enactment of the Tax Equity and Fiscal Responsibility Act of 1982, the State amended their State plan to implement a IV-A job search program in those offices which comprised the control (voluntary) offices. They also continued to operate the experimental program which delayed eligibility determination for up to 30 days. The two types of mandatory job search programs were then compared.

Major findings from each phase of the demonstration are as follows:

1. Findings from the first phase (the voluntary vs. mandatory phase): Twelve percent of experimental applicants obtained employment during the study period. The rate of growth in AFDC applications was three times less in the mandatory areas than in the voluntary offices during the first study period. Average benefit expenditures were reduced by $142.10 per applicant over the ten-month study period in the experimental offices. Savings from including families with children 3–5 years of age were similar to savings from families with older children.

2. Findings from the second phase of the project (two mandatory programs, one using waivers to delay eligibility determination for up to 30 days while job search requirements were met): 14% of participants in each program obtained employment. Group job search was the most successful component in both project areas in leading to employment. The increase in applications in both project areas was less than the statewide increase in the previous period (15.8%). In the areas with the waiver delaying eligibility determination, the rate of increase was 6.1% and in the comparison areas application increased 9.8%. Average assistance grants per applicant over a 13-month study period were $100.61 less in the experimental areas than in areas with regular IV-A job search.

Final reports: Program Research and Evaluation Section, Office of Research and Data Analysis, Division of Administration and Personnel, Department of Health and Social Services, Olympia, Washington 98504.

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